



STATE OF NEW MEXICO
TOWN OF CARRIZOZO

ANNUAL FINANCIAL REPORT
June 30, 2009

De'Aun Willoughby CPA, PC
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Melrose, New Mexico



STATE OF NEW MEXICO
TOWN OF CARRIZOZO
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STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Official Roster
June 30, 2009

BOARD OF TRUSTEES

Bob Hemphill	Mayor
Dusty Voss	Trustee
Dennis Vega	Trustee
Max Saucedo	Trustee
Dennis Dunnum	Trustee

ADMINISTRATIVE OFFICIAL

Leann Weihbrecht	Clerk/Treasurer
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De'Aun Willoughby CPA, PC

Certified Public Accountant

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Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Town of Carrizozo

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carrizozo, (Town), as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2009, and the respective changes in financial position, and cash flows where applicable, thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Town as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Town has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Aun Willoughby CPA PC

November 20, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Government-Wide Statement of Net Assets
 June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 497,337	\$ 109,576	\$ 606,913
Receivable			
Accounts	0	41,956	41,956
Taxes	15,194	249	15,443
Inventory		2,113	2,113
Total Current Assets	<u>512,531</u>	<u>153,894</u>	<u>666,425</u>
Noncurrent Assets			
Restricted Cash	40,379	39,981	80,360
Capital Assets	8,985,048	4,236,140	13,221,188
Less: Accumulated Depreciation	<u>(4,599,412)</u>	<u>(1,075,515)</u>	<u>(5,674,927)</u>
Total Noncurrent Assets	<u>4,426,015</u>	<u>3,200,606</u>	<u>7,626,621</u>
Total Assets	<u>4,938,546</u>	<u>3,354,500</u>	<u>8,293,046</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,668	2,083	5,751
Accrued Salaries & Benefits	9,645	4,000	13,645
Accrued Interest	0	8,853	8,853
Current Portion of Long-Term Debt	74,615	4,570	79,185
Total Current Liabilities	<u>87,928</u>	<u>19,506</u>	<u>107,434</u>
Noncurrent Liabilities			
Customer Deposits	0	39,981	39,981
Non Current Portion of Long Term Debt	429,118	388,900	818,018
Total Noncurrent Liabilities	<u>429,118</u>	<u>428,881</u>	<u>857,999</u>
Total Liabilities	<u>517,046</u>	<u>448,387</u>	<u>965,433</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,922,282	2,807,136	6,729,418
Unrestricted	499,218	98,977	598,195
Total Net Assets	<u>\$ 4,421,500</u>	<u>\$ 2,906,113</u>	<u>\$ 7,327,613</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net(Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 397,116	\$ 0	\$ 213,774	\$ 0	\$ (183,342)	\$ 0	\$ (183,342)
Public Safety	306,675	19,986	193,597	0	(93,092)	0	(93,092)
Public Works	272,495	0	0	352,411	79,916	0	79,916
Culture & Recreation	94,885	26,055	0	0	(68,830)	0	(68,830)
Interest on Long-Term Obligations	15,421	0	0	0	(15,421)	0	(15,421)
Total Governmental Activities	<u>1,086,592</u>	<u>46,041</u>	<u>407,371</u>	<u>352,411</u>	<u>(280,769)</u>	<u>0</u>	<u>(280,769)</u>
Business-type Activities							
Utilities	543,412	472,498	0	0	0	(70,914)	(70,914)
Total Business-type Activities	<u>\$ 543,412</u>	<u>\$ 472,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>(70,914)</u>	<u>(70,914)</u>
General Revenues							
Taxes							
Property					38,616	0	38,616
Gross Receipts					186,499	5,305	191,804
Franchise					10,076	0	10,076
Other					15,767	0	15,767
Gasoline					44,402	0	44,402
Miscellaneous					82,880		82,880
Interest Income					8,521	0	8,521
Total General Revenues and Transfers					<u>386,761</u>	<u>5,305</u>	<u>392,066</u>
Other Items							
Transfers							
					(147,391)	147,391	0
Change in Net Assets							
					(41,399)	81,782	40,383
Net Assets - beginning							
					<u>4,462,899</u>	<u>2,824,331</u>	<u>7,287,230</u>
Net Assets - ending							
					<u>\$ 4,421,500</u>	<u>\$ 2,906,113</u>	<u>\$ 7,327,613</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Capital Projects</u>
ASSETS			
Cash and Cash Equivalents	\$ 245,796	\$ 51,701	\$ 101,951
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	11,782	0	0
Restricted Cash	12,118	28,261	0
Total Assets	<u>\$ 269,696</u>	<u>\$ 79,962</u>	<u>\$ 101,951</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 2,786	\$ 349	\$ 0
Accrued Salaries Payable	9,645	0	0
Total Liabilities	<u>12,431</u>	<u>349</u>	<u>0</u>
 Fund Balances			
Unreserved Reported In:			
General Fund	257,265	0	0
Special Revenue Fund	0	79,613	101,951
Total Fund Balances	<u>257,265</u>	<u>79,613</u>	<u>101,951</u>
 Total Liabilities and Fund Balances	 <u>\$ 269,696</u>	 <u>\$ 79,962</u>	 <u>\$ 101,951</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	Non-Major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 97,889	\$ 497,337
Receivables (Net of Allowance for Uncollectibles if Applicable)		
Taxes	3,412	15,194
Restricted Cash	0	40,379
Total Assets	<u>\$ 101,301</u>	<u>\$ 552,910</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 533	\$ 3,668
Accrued Salaries Payable	0	9,645
Total Liabilities	<u>533</u>	<u>13,313</u>
 Fund Balances		
Unreserved Reported In:		
General Fund	0	257,265
Special Revenue Fund	100,768	282,332
Total Fund Balances	<u>100,768</u>	<u>539,597</u>
 Total Liabilities and Fund Balances	 <u>\$ 101,301</u>	 <u>\$ 552,910</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balance - Governmental Funds	\$	539,597
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	8,985,048	
Accumulated depreciation is		<u>(4,599,412)</u>	4,385,636

Long-term and certain other liabilities, including notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Notes Payable		<u>(503,733)</u>
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Total net assets - governmental activities	\$	<u><u>4,421,500</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	General Fund	Fire Fund	Capital Projects
Revenues			
Taxes			
Property	\$ 38,616	\$ 0	\$ 0
Gross Receipts	186,499	0	0
Franchise	10,076	0	0
Gasoline	0	0	0
Other	8,898	0	0
Charges for Services	26,055	0	0
License, Fees and Fines	13,843	0	0
Federal Grant	0	0	29,575
State Grant	213,774	129,299	322,836
County Subsidy	43,700		
Interest Income	8,521	0	0
Miscellaneous	18,329	56,922	0
Total Revenues	<u>568,311</u>	<u>186,221</u>	<u>352,411</u>
Expenditures			
Current			
General Government	369,879	0	0
Public Safety	196,534	47,049	0
Public Works	29,457	0	20,638
Culture and Recreation	45,431	0	0
Capital Outlay	115,928	25,000	229,822
Debt Service			
Principal	10,563	52,979	0
Interest	7,863	7,558	0
Total Expenditures	<u>775,655</u>	<u>132,586</u>	<u>250,460</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(207,344)</u>	<u>53,635</u>	<u>101,951</u>
Other Financing Sources (Uses)			
Loan Proceeds	73,000	0	0
Transfers	34,092	0	0
Total Other Sources (Uses)	<u>107,092</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(100,252)	53,635	101,951
Fund Balance at Beginning of year	<u>357,517</u>	<u>25,978</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 257,265</u>	<u>\$ 79,613</u>	<u>\$ 101,951</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Non-Major Governmental Funds	Total Governmental Funds
Revenues		
Taxes		
Property	\$ 0	\$ 38,616
Gross Receipts	0	186,499
Franchise	0	10,076
Gasoline	44,402	44,402
Other	6,869	15,767
Charges for Services	0	26,055
License, Fees and Fines	6,143	19,986
Federal Grant	0	29,575
State Grant	20,600	686,509
County Subsidy		43,700
Interest Income	0	8,521
Miscellaneous	7,629	82,880
Total Revenues	<u>85,643</u>	<u>1,192,586</u>
Expenditures		
Current		
General Government	0	369,879
Public Safety	15,493	259,076
Public Works	25,444	75,539
Culture and Recreation	7,736	53,167
Capital Outlay	7,558	378,308
Debt Service		
Principal	0	63,542
Interest	0	15,421
Total Expenditures	<u>56,231</u>	<u>1,214,932</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>29,412</u>	<u>(22,346)</u>
Other Financing Sources (Uses)		
Loan Proceeds	0	73,000
Transfers	<u>(34,092)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(34,092)</u>	<u>73,000</u>
Net Change in Fund Balance	(4,680)	50,654
Fund Balance at Beginning of year	<u>105,448</u>	<u>488,943</u>
Fund Balance End of Year	<u>\$ 100,768</u>	<u>\$ 539,597</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2009

Net Change in Fund Balance \$ 50,654

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$	(313,510)	
Transfer Capital Assets to the Utility Fund		(147,391)	
Capital Outlays		378,308	(82,593)

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (73,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 63,540

Changes in Net Assets of Governmental Activities \$ (41,399)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 38,100	\$ 38,100	\$ 38,616	\$ 516
Gross Receipts	315,732	315,732	199,944	(115,788)
Franchise	11,114	11,114	10,292	(822)
Cigarette	3,800	3,800	3,218	(582)
Motor Vehicle	6,150	6,150	5,812	(338)
Charges for Services	16,658	16,658	25,470	8,812
License, Fees and Fines	14,180	14,180	13,843	(337)
State Grants	213,774	213,774	213,774	0
County Subsidy	44,700	44,700	43,700	(1,000)
Interest	7,500	7,500	8,521	1,021
Miscellaneous	29,903	29,903	18,329	(11,574)
Total Revenues	<u>701,611</u>	<u>701,611</u>	<u>581,519</u>	<u>(120,092)</u>
Expenditures				
Executive				
Personnel Services	10,000	10,000	9,958	42
Benefits	734	734	203	531
Operating Expense	9,850	9,850	9,282	568
Total Executive	<u>20,584</u>	<u>20,584</u>	<u>19,443</u>	<u>1,141</u>
Judicial Department				
Personnel Services	16,000	16,000	14,267	1,733
Benefits	3,941	3,941	671	3,270
Operating Expense	29,600	29,600	21,555	8,045
Total Judicial	<u>49,541</u>	<u>49,541</u>	<u>36,493</u>	<u>13,048</u>
Financial Department				
Personnel Services	77,770	77,770	75,993	1,777
Benefits	22,579	22,579	9,909	12,670
Operating Expense	194,330	194,330	184,875	9,455
Capital Outlay	2,550	2,550	80,140	(77,590)
Total Financial	<u>297,229</u>	<u>297,229</u>	<u>350,917</u>	<u>(53,688)</u>
Legal Services Department				
Legal Fees	18,000	18,000	12,754	5,246
Audit Fees	36,000	36,000	28,469	7,531
Total Legal Services	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 41,223</u>	<u>\$ 12,777</u>

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Police Department				
Personnel Services	\$ 159,500	\$ 159,500	\$ 147,796	\$ 11,704
Benefits	160,128	160,128	25,588	134,540
Operating Expense	89,500	89,500	23,999	65,501
Capital Outlay	40,000	40,000	35,788	4,212
Total Police Department	<u>449,128</u>	<u>449,128</u>	<u>233,171</u>	<u>215,957</u>
Highway & Streets				
Operating Expense	4,400	4,400	1,992	2,408
Total Highway & Streets	<u>4,400</u>	<u>4,400</u>	<u>1,992</u>	<u>2,408</u>
Airport				
Operating Expense	35,437	35,437	27,603	7,834
Total Airport	<u>35,437</u>	<u>35,437</u>	<u>27,603</u>	<u>7,834</u>
Cemetery				
Operating Expense	2,426	2,426	26	2,400
Total Museum	<u>2,426</u>	<u>2,426</u>	<u>26</u>	<u>2,400</u>
Parks and Recreation				
Personnel Services	25,328	25,328	25,310	
Benefits	5,133	5,133	540	
Operating Expense	18,650	18,650	16,814	1,836
Total Parks	<u>49,111</u>	<u>49,111</u>	<u>42,664</u>	<u>1,836</u>
Debt Service				
Principal	7,780	7,780	10,563	(2,783)
Interest	337	337	7,863	(7,526)
Total Debt Service	<u>8,117</u>	<u>8,117</u>	<u>18,426</u>	<u>(10,309)</u>
Total Expenditures	<u>969,973</u>	<u>969,973</u>	<u>771,958</u>	<u>193,404</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(268,362)</u>	\$ <u>(268,362)</u>	\$ <u>(190,439)</u>	\$ <u>73,312</u>

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Other Financing Sources (Uses)				
Loan Proceeds	0	73,000	73,000	0
Transfers	\$ 0	\$ 0	\$ 34,092	\$ 34,092
Total Other Sources (Uses)	<u>0</u>	<u>73,000</u>	<u>107,092</u>	<u>34,092</u>
Net Change in Cash Balance	(268,362)	(195,362)	(83,347)	112,015
Cash Balance Beginning of Year	<u>341,259</u>	<u>341,259</u>	<u>341,259</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 72,897</u>	<u>\$ 145,897</u>	<u>\$ 257,912</u>	<u>\$ 112,015</u>
			257,913	
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (83,347)	
Net Change in Taxes Receivable			(13,208)	
Net Change in Interfund Balance			(2,000)	
Net Change in Accounts Payable			388	
Net Change in Salaries & Benefits			<u>(2,085)</u>	
Net Change in Fund Balance			<u>\$ (100,252)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-FIRE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 127,890	\$ 127,890	\$ 129,298	\$ 1,408
Reimbursements/Refunds	33,600	33,600	56,922	23,322
Total Revenues	<u>161,490</u>	<u>161,490</u>	<u>186,220</u>	<u>24,730</u>
Expenditures				
Public Safety				
Operating	51,400	51,400	46,943	4,457
Capital Purchases	77,500	77,500	25,000	52,500
Debt Service				
Principal	48,875	48,875	52,979	(4,104)
Interest	0	0	7,558	(7,558)
Total Expenditures	<u>177,775</u>	<u>177,775</u>	<u>132,480</u>	<u>45,295</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,285)	(16,285)	53,740	70,025
Cash Balance Beginning of Year	<u>26,222</u>	<u>26,222</u>	<u>26,222</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,937</u>	<u>\$ 9,937</u>	<u>\$ 79,962</u>	<u>\$ 70,025</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 53,740	
Net Change in Account Payable			(105)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 53,635</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Statement of Net Assets
 June 30, 2009

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 109,576
Receivables (net of allowance for uncollectible accounts)	
Accounts	41,956
Taxes	249
Inventory	2,113
Total Current Assets	<u>153,894</u>

Noncurrent Assets

Restricted Cash	39,981
Capital Assets	4,236,140
Less Accumulated Depreciation	<u>(1,075,515)</u>
Total Noncurrent Assets	<u>3,200,606</u>

Total Assets	<u>3,354,500</u>
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LIABILITIES

Current Liabilities

Accounts Payable	2,083
Accrued Salaries & Benefits	4,000
Accrued Interest	8,853
Current Portion of Bonds Payable	4,570
Total Current Liabilities	<u>19,506</u>

Noncurrent Liabilities

Customer Deposits	39,981
Revenue Bonds	388,900
Total Noncurrent Liabilities	<u>428,881</u>

Total Liabilities	<u>448,387</u>
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NET ASSETS

Invested in Capital Assets, Net of

Related Debt	2,807,136
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Unrestricted

Total Net Assets	<u>98,977</u>
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\$	<u><u>2,906,113</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Statement of Revenue, Expenses and Changes in Fund Net Assets
 For the Year Ended June 30, 2009

Operating Revenues	
Sales & Service	\$ 435,980
Connection Fees	9,925
Miscellaneous	<u>26,594</u>
Total Operating Revenues	<u>472,499</u>
Operating Expenses	
Salaries & Benefits	200,749
Operating	132,326
Contract Services	114,690
Depreciation	<u>77,842</u>
Total Operating Expenses	<u>525,607</u>
Operating Income (Loss)	<u>(53,108)</u>
Nonoperating Revenue (Expenses)	
Environmental Taxes	5,305
Interest Expense	<u>(17,805)</u>
Total Nonoperating Revenue (Expense)	<u>(12,500)</u>
Other Items	
Contribution from Capital Projects Fund	<u>147,390</u>
Total Other Items	<u>147,390</u>
Change in Net Assets	81,782
Total Net Assets - Beginning	<u>2,824,331</u>
Total Net Assets - Ending	<u>\$ 2,906,113</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND
 Combined Statement of Cash Flows
 For the Year Ended June 30, 2009

Cash Flows from Operating Activities	
Cash Received From Customers	\$ 490,825
Cash Paid to Suppliers and Employees	(448,911)
Net Cash Provided by Operating Activities	<u>41,914</u>
Cash Flows from Noncapital Financing Activities	
Taxes	5,305
Net Cash Provided by Noncapital Financing Activities	<u>5,305</u>
Cash Flows from Capital & Related Financing Activities	
Contribution from Capital Projects Fund	147,390
Acquisition and Construction of Capital Assets	(147,390)
Principal Paid	(4,370)
Interest Paid	(17,805)
Net Cash Provided by Capital & Related Financing Activities	<u>(22,175)</u>
Net Increase (Decrease) in Cash	25,044
Cash, Beginning of Year	<u>124,513</u>
Cash, End of Year	<u>\$ 149,557</u>
Cash and Cash Equivalents	\$ 109,576
Restricted Cash	39,981
Total Cash	<u>\$ 149,557</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (53,108)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	77,842
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	13,025
(Increase) Decrease in Taxes Receivable	(249)
(Increase) Decrease in Inventories	(23)
Increase (Decrease) in Accounts Payable	(1,548)
Increase (Decrease) in Accrued Salaries & Benefits	773
Increase (Decrease) in Accrued Interest	(99)
Increase (Decrease) in Customer Deposits	5,301
Net Cash Provided by Operating Activities	<u>\$ 41,914</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Statement of Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash	\$ 0
Total Assets	<u>\$ 0</u>
Liabilities	
Funds Held for Others	\$ 0
Total Liabilities	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF CARRIZOZO (Town) have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the town's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not

Financial Reporting Entity

The TOWN OF CARRIZOZO was incorporated under the laws of the State of New Mexico. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The Town has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected town members are financially accountable. There are no other primary governments with which the Town Board Members are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Town are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Town. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program and 3) capital grants or contributions restricted to meeting capital requirements of a particular program. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Town has presented the following major governmental funds:

General Fund - The General Fund is the general operating fund of the town and accounts for all revenues and expenditures of the town not encompassed within other funds.

Fire Fund - To account for operation and maintenance of the Department. Financing is provided by the motor vehicle registration fee of one dollar. Funding is provided under State Statute 24-10A-1 NMSA, 1978 Compilation. Required to be accounted for as a separate fund by New Mexico Department of Health

Capital Projects - To account for the purchase and construction of capital assets.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The town has presented the following major proprietary funds:

Additionally, the town reports the following non-major funds types:

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

Fiduciary Fund - The Fiduciary funds account for assets held by the town in a trustee or agent capacity.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenue, such as franchise and sales tax revenue, is recognized when the underlying exchange transaction occurs.

parties outside the Town's taxpayer or citizenry, as a whole; program revenues reduced the cost of the function to be financed from the Town's general revenues. Program revenues include charges for services or applicants who purchase, use or directly benefit from the goods or services provided by the given function. Program revenues include fees and fines for public service and charges for recreational activities. Grants include small cities assistance and fire protection and law enforcements grants and a subsidy from the county for animal control.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Budgetary Control

1. Prior to June 1, the Town's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.
3. The Town treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Trustees and the State Department of Finance and Administration.

4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. The level of budget authority is at the fund level.

The Proprietary Funds group accounts for funds received in the course of the operation of self-supporting functions which receive their revenues from providing goods or services to internal or external customers. The two types of funds that make up this category are:

1. Enterprise Funds. Enterprise Funds account for operations carried out and financed like a business operation, usually designated to be self-supporting through fees for services and generating revenues from outside sources. The Town of Carrizozo has two of these funds , including the Water and Sewer Fund as well as the Landfill Fund. Enterprise Funds are budgeted as separate cost centers but as integral parts of the work programs.
2. Internal Service Fund (ISF). An ISF accounts for financing goods or services provided by an organizational unit of the Town to other units of the Town, on a self-liquidating, fee-for-service basis. The Town of Carrizozo does not have an ISF Fund.

Cash and Cash Equivalents

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

The Town is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the Town may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Town which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Capital Assets

Capital assets, which includes property, plant, equipment (including software), and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The construction period interest is not capitalized in the proprietary funds.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings, Improvements and Infrastructure	40-50 Years
Infrastructure	5-50 Years
Equipment and Vehicles	3-20 Years

Use of Restricted Funds

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

Revenue

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

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

Compensated Absences

All full-time employees are entitled to five to twenty days (depending on employment) a maximum of 20 days can be accrued. Non-salaried employees are eligible for compensation time.

Each permanent employee of the Town accrues sick leave as working days with full pay on the basis of one (1) day per each month of employment. Sick leave may be granted only from duty because of personal illness, legal quarantine, or medical, dental, or optical appointments. In case of an extended sickness in excess of the accumulated sick leave, annual leave may be applied to sick leave. The employee may be eligible to sell sick leave in excess of 10 days at the rate of 75% of regular pay, only upon approval of the board.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted

NOTE B: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

NOTE C: CASH AND INVESTMENTS

The Town is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
Wells Fargo Bank			
Carrizozo Municipal Airport	\$ 18,969	\$ 18,969	Checking
Gasoline Fund	5,716	5,716	Checking
Water Dept/Utility	63,594	114,950	Checking
TOTAL Deposited	88,279	\$ 139,635	
Less: FDIC Coverage	(88,279)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2009

City Bank

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
General Fund	\$ 563,629	\$ 467,225	Checking
Federal Deposit	2,000	2,000	Checking
Town of Carrizozo	50	50	Checking
Veterans Memorial Park	751	751	Checking
Meter Deposit	37,164	37,166	Checking
Town of Carrizozo	68	68	Checking
TOTAL Deposited	<u>603,662</u>	<u>\$ 507,260</u>	
Less: FDIC Coverage	<u>(603,662)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

Bank of Albuquerque

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
Town of Carrizozo	\$ 40,378	\$ 40,378	Savings
TOTAL Deposited	<u>40,378</u>	<u>\$ 40,378</u>	
Less: FDIC Coverage	<u>(40,378)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 732,319
Collateralized:	
Collateral held by the pledging bank in	
Town's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 732,319</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 none of the Town's bank balance of \$687,271 was exposed to custodial credit risk.

NOTE D: RESTRICTED CASH

There was \$12,118 in restricted cash in the General Fund and \$28,261 for debt retirement for a loan for the construction of Town Hall and fire trucks financed by New Mexico Finance Authority. The restricted cash in the Utility fund is the customer deposits held by the Town of \$39,981.

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 127,102	\$ 0	\$ 0	\$ 127,102
Construction in Progress	0	147,391	147,391	0
Total Capital Assets, not being Depreciated	<u>127,102</u>	<u>147,391</u>	<u>147,391</u>	<u>127,102</u>
Capital Assets, being Depreciated				
Buildings & Improvements	5,026,646	68,882	0	5,095,528
Infrastructure	2,761,544	0	0	2,761,544
Equipment	838,839	162,035	0	1,000,874
Total Capital Assets, being Depreciated	<u>8,627,029</u>	<u>230,917</u>	<u>0</u>	<u>8,857,946</u>
Total Capital Assets	<u>8,754,131</u>	<u>378,308</u>	<u>147,391</u>	<u>8,985,048</u>
Less Accumulated Depreciation				
Buildings & Improvements	1,693,076	135,853	0	1,828,929
Infrastructure	2,317,924	145,312	0	2,463,236
Equipment	274,902	32,345	0	307,247
Total Accumulated Depreciation	<u>4,285,902</u>	<u>313,510</u>	<u>0</u>	<u>4,599,412</u>
Capital Assets, net	<u>\$ 4,468,229</u>	<u>\$ 64,798</u>	<u>\$ 147,391</u>	<u>\$ 4,385,636</u>

Depreciation expense was charged to governmental activities as follows:

General	\$ 27,237
Public Safety	47,599
Public Works	196,956
Culture & Recreation	41,718
Total depreciation expenses	<u>\$ 313,510</u>

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2009

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Business-Type Activities				
Capital Assets not being Depreciated				
Land	\$ 8,000	\$ 0	\$ 0	\$ 8,000
Total Capital Assets not being Depreciated	8,000	0	0	8,000
Capital Assets, being Depreciated				
Buildings & Improvements	500,000	0	0	500,000
Utility System	3,478,244	147,391	0	3,625,635
Equipment	102,505	0	0	102,505
Total Capital Assets at Historical Cost	4,088,749	147,391	0	4,236,140
Less Accumulated Depreciation				
Buildings & Improvements	105,000	10,000	0	115,000
Utility System	825,914	63,315	0	889,229
Equipment	66,758	4,527	0	71,285
Total Accumulated Depreciation	997,672	77,842	0	1,075,514
Capital Assets, net	\$ 3,091,077	\$ 69,549	\$ 0	\$ 3,160,626

NOTE F: LONG TERM DEBT

Notes Payable

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
NMFA-Fire Truck	\$ 64,837	\$ 0	\$ 21,018	\$ 43,819	21,600
NMFA-Fire Truck	12,069	0	6,027	6,042	6,042
NMFA-Fire Truck	282,415	0	25,934	256,481	26,303
NMFA-Town Hall	134,951	0	7,780	127,171	7,800
Total Notes Payable	\$ 494,272	\$ 0	\$ 60,759	\$ 433,513	\$ 61,745

Description	Maturity	Annual Payments	Interest Rate	Balance
NMFA-Fire Truck	2011	\$ 22,872	3-4%	\$ 43,819
NMFA-Fire Truck	2013	6,057	0%	6,042
NMFA-Fire Truck	2017	31,767	0%	256,481
NMFA-Town Hall	2025	\$ 8,117	3-4%	127,171
				\$ 433,513

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Notes to the Financial Statements
June 30, 2009

The annual requirements to amortize the loans as of June 30, 2008, including interest payments are as follows:

	Principal	Interest	Total
2010	\$ 61,745	\$ 7,344	\$ 69,089
2011	56,736	6,352	63,088
2012	35,009	5,257	40,266
2013	35,566	4,700	40,266
2014	36,187	4,078	40,265
2015-2019	159,983	9,199	169,182
2020-2024	40,189	403	40,592
2025	8,098	20	8,118
	<u>\$ 433,513</u>	<u>\$ 37,353</u>	<u>\$ 470,866</u>

Business-Type Activities

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
USDA Bonds	\$ <u>397,840</u>	\$ <u>0</u>	\$ <u>4,370</u>	\$ <u>393,470</u>	<u>4,570</u>

Description	Maturity	Annual Payments	Interest Rate	Balance
USDA Bonds	2044	\$ 22,273	4.50%	\$ <u>393,470</u>

The annual requirements to amortize the loans as of June 30, 2009, including interest payments are as

	Principal	Interest	Total
2010	\$ 4,570	\$ 17,706	\$ 22,276
2011	4,770	17,501	22,271
2012	4,990	17,286	22,276
2013	5,210	17,061	22,271
2014	5,450	16,827	22,277
2015-2019	31,150	80,228	111,378
2020-2024	38,820	72,559	111,379
2025-2029	48,370	63,003	111,373
2030-2034	60,270	51,096	111,366
2035-2039	75,110	36,258	111,368
2040-2044	93,620	17,766	111,386
2045	21,140	951	22,091
	<u>\$ 393,470</u>	<u>\$ 408,242</u>	<u>\$ 556,867</u>

Computer and Software Lease

The Town is obligated under a lease for a computer system and accounting software acquired in December 2008 at a cost of \$73,000. This lease is accounted for as a capital lease. The leased asset and the related obligation are accounted for in the Capital Assets and the Long-Term Debt of the government-wide financial statements. The leasing company is DivLend Equipment Leasing, LLC. The lease was assigned to American State Bank Lubbock, Texas.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 Notes to the Financial Statements
 June 30, 2009

A summary of activity in the lease purchase is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
	\$ 0	\$ 73,000	\$ 7,519	\$ 65,481	\$ 12,867
Schedule of Payments			2010	\$ 17,661	
			2011	17,661	
			2012	17,661	
			2013	17,991	
			2014	7,359	
		Total Lease Payments		78,333	
		Less Imputed Interest		(12,852)	
				<u>\$ 65,481</u>	

NOTE G: PROPERTY TAXES

The County collects the Town's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Town on a monthly basis. The Town accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

NOTE H: DEFINED BENEFIT PENSION PLAN

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

Funding Policy. Plan members are required to contribute 7% of their gross salary. The Town is required to contribute 10% for law enforcement employees and 7% for all other employees. The contribution requirements of plan members and the Town are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The contributions to PERA for the years ending June 30, 2009, 2008, and 2007 were \$18,778, \$0, and \$0, respectively, equal to the amount of the required contributions for each year.

NOTE I: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (10-7C-1 to 10-7C-16 NMSA 1978 provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D. Of Chapter 6 Laws of 1990, the Town has elected not to participate in the program.

NOTE J: INTERFUND TRANSACTIONS

<u>Transfer from</u>		<u>Transfer to</u>	
Airport	\$ 7,464	General	\$ 7,464
Infrastructure	6,728	General	6,728
Veteran's Memorial Park	751	General	751
Cemetery	1,149	General	1,149
Municipal Streets	20,000	General	20,000
	<u>36,092</u>		<u>36,092</u>
General	\$ <u>2,000</u>	LEPF	\$ <u>2,000</u>

The funds transferred their cash balances to the General Fund after the new accounting software was implemented. The Municipal Street Fund transferred \$20,000 to cover expenses associated with costs of the streets paid from the General Fund. The General Fund transferred \$2,000 to LEPF to cover a shortfall.

NOTE K: RISK MANAGEMENT

The Town participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. Commercial Insurance covers all other losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There are no claim liabilities at year end. The officials and certain employees of the Town are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE L: JOINT POWERS AGREEMENTS

The Lincoln County Solid Waste Authority (Authority) was established in 1991 and has no stated termination date. It acts as its own fiscal agent as do other such cooperative organizations and provides an independent audit. All powers rest with the Authority including budgetary, finance and bonded debt. The participants in the Authority have also entered into a joint powers agreement with Otero County, Alamogordo, Tularosa and Cloudcroft for the purpose of forming the Otero/Lincoln County Regional Landfill. The financial information for this venture is included in the fiscal agent's (Alamogordo) audit report. The Town of Carrizozo has committed the Environmental Gross Receipts Tax collected (current year's amount was \$7,824) to service bonds issued by Alamogordo to construct the facility. The bonds matured during this fiscal year. The Town represents approximately 1/6 of the total JPA.

There are no required capital contributions to the joint power entities and the only financial transactions are for charges for services in the normal course of business.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 CAPITAL PROJECTS FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 809,064	\$ 809,064	\$ 322,836	\$ (486,228)
Federal Grant	47,371	47,371	29,575	(17,796)
Total Revenues	<u>856,435</u>	<u>856,435</u>	<u>352,411</u>	<u>(504,024)</u>
Expenditures				
Public Works				
Operating Expenses	64,304	64,304	20,638	43,666
Capital Purchases	792,131	792,131	229,822	562,309
Total Expenditures	<u>856,435</u>	<u>856,435</u>	<u>250,460</u>	<u>605,975</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	101,951	101,951
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,951</u>	<u>\$ 101,951</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 101,951</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 101,951</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Law Enforcement Fund

To account for funds received from the State of New Mexico for law enforcement purposes. The fund was created by the authority of state grant provisions. (NMSA 29-13-3)

Correction Fund

To account for the collection of fines which are used to supplement the cost of prisoner housing. The fund was created by the authority of state statute. (Section 29-1301 NASA 1978)

Airport Fund

To account for the operations of the airport. Financing is provided by the sale of aviation fuel and grants. This fund was created by the authority of NMSA 29-13-1.

Municipal Streets

To account for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. Authority for this fund is NMSA 7-1-6.9 and 7-13-1 to 18.

Infrastructure Fund

To account for a reserve account used to improvements to roads, sewer system, and the water system. The fund was created by the authority of state statute.

Lodgers Tax Fund

To account for a Lodger's Tax which is to be used for cultural and recreational purposes. The fund was created by the authority of state statute. (NMSA 3-38-13 to 24)

Veterans Memorial Park Fund

To account for the operation and maintenance of the Veterans Memorial Park. This fund was created by the authority of the Town's management and Council.

Cemetery Fund

To account for the operations and maintenance of the cemetery. Financing is primarily from the sale of burial lots. The fund was authorized by NMSA 1978 3-40-1 through 9.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	Law Enforcement Fund	Correction Fund	Airport Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 162	\$ 26,640	\$ 0
Receivables			
Taxes	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 162</u>	<u>\$ 26,640</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>162</u>	<u>26,640</u>	<u>0</u>
Total Fund Balance	<u>162</u>	<u>26,640</u>	<u>0</u>
 Total Liabilities and Fund Balance	 <u>\$ 162</u>	 <u>\$ 26,640</u>	 <u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	Municipal Streets Fund	Infrastructure Fund	Lodgers Tax Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 58,796	\$ 0	\$ 12,291
Receivables			
Taxes	<u>3,412</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 62,208</u>	<u>\$ 0</u>	<u>\$ 12,291</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	<u>\$ 160</u>	<u>\$ 0</u>	<u>\$ 373</u>
Total Liabilities	<u>160</u>	<u>0</u>	<u>373</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>62,048</u>	<u>0</u>	<u>11,918</u>
Total Fund Balance	<u>62,048</u>	<u>0</u>	<u>11,918</u>
 Total Liabilities and Fund Balance	 <u>\$ 62,208</u>	 <u>\$ 0</u>	 <u>\$ 12,291</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009

	Veterans Memorial Park Fund	Cemetery Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 97,889
Receivables			
Taxes	<u>0</u>	<u>0</u>	<u>3,412</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,301</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 533</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>533</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue	<u>0</u>	<u>0</u>	<u>100,768</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>100,768</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,301</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Law Enforcement Fund	Correction Fund	Airport Fund
Revenues			
Taxes			
Lodgers	\$ 0	\$ 0	\$ 0
Gasoline	0	0	0
License, Fees and Fines	0	6,143	0
State Grants	20,600	0	0
Miscellaneous	0	733	0
Total Revenues	<u>20,600</u>	<u>6,876</u>	<u>0</u>
Expenditures			
Current			
Public Safety	12,880	2,613	0
Public Works	0	0	5,500
Culture & Recreation	0	0	0
Capital Outlay	7,558	0	0
Total Expenditures	<u>20,438</u>	<u>2,613</u>	<u>5,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>162</u>	<u>4,263</u>	<u>(5,500)</u>
Other Financing Sources (Uses)			
Transfers In/Out	2,000	0	(7,464)
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>0</u>	<u>(7,464)</u>
Net Change in Fund Balance	2,162	4,263	(12,964)
Fund Balances at Beginning of Year	<u>(2,000)</u>	<u>22,377</u>	<u>12,964</u>
Fund Balance End of Year	<u>\$ 162</u>	<u>\$ 26,640</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Municipal Streets Fund	Infrastructure Fund	Lodgers Tax Fund
Revenues			
Taxes			
Lodgers	\$ 0	\$ 0	\$ 6,869
Gasoline	44,402	0	0
License, Fees and Fines	0	0	0
State Grants	0	0	0
Miscellaneous	6,730	0	166
Total Revenues	<u>51,132</u>	<u>0</u>	<u>7,035</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	19,944	0	0
Culture & Recreation	0	0	7,736
Capital Outlay	0	0	0
Total Expenditures	<u>19,944</u>	<u>0</u>	<u>7,736</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>31,188</u>	<u>0</u>	<u>(701)</u>
Other Financing Sources (Uses)			
Transfers In/Out	(20,000)	(6,728)	0
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(6,728)</u>	<u>0</u>
Net Change in Fund Balance	11,188	(6,728)	(701)
Fund Balances at Beginning of Year	<u>50,860</u>	<u>6,728</u>	<u>12,619</u>
Fund Balance End of Year	<u>\$ 62,048</u>	<u>\$ 0</u>	<u>\$ 11,918</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Veterans Memorial Park Fund	Cemetery Fund	Total
Revenues			
Taxes			
Lodgers	\$ 0	\$ 0	\$ 6,869
Gasoline	0	0	44,402
License, Fees and Fines	0	0	6,143
State Grants	0	0	20,600
Miscellaneous	0	0	7,629
Total Revenues	<u>0</u>	<u>0</u>	<u>85,643</u>
Expenditures			
Current			
Public Safety	0	0	15,493
Public Works	0	0	25,444
Culture & Recreation	0	0	7,736
Capital Outlay	0	0	7,558
Total Expenditures	<u>0</u>	<u>0</u>	<u>56,231</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>29,412</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>(751)</u>	<u>(1,149)</u>	<u>(34,092)</u>
Total Other Financing Sources (Uses)	<u>(751)</u>	<u>(1,149)</u>	<u>(34,092)</u>
Net Change in Fund Balance	(751)	(1,149)	(4,680)
Fund Balances at Beginning of Year	<u>751</u>	<u>1,149</u>	<u>105,448</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,768</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-LAW ENFORCEMENT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 20,600	\$ 20,600	\$ 20,600	\$ 0
Total Revenues	<u>20,600</u>	<u>20,600</u>	<u>20,600</u>	<u>0</u>
Expenditures				
Public Safety				
Operating	12,000	12,000	12,880	(880)
Capital Purchases	8,600	11,000	7,558	3,442
Total Expenditures	<u>20,600</u>	<u>23,000</u>	<u>20,438</u>	<u>2,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(2,400)</u>	<u>162</u>	<u>2,562</u>
Other Financing Sources (Uses)				
Transfers	2,000	4,400	2,000	(2,400)
Total Other Sources (Uses)	<u>2,000</u>	<u>4,400</u>	<u>2,000</u>	<u>(2,400)</u>
Net Change in Cash Balance	2,000	2,000	2,162	162
Cash Balance Beginning of Year	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 162</u>	<u>\$ 162</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 162	
Net Change in Fund Balance			<u>\$ 162</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-CORRECTION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Correction Fees	\$ 6,155	\$ 6,155	\$ 6,143	\$ (12)
Other	0	0	733	733
Total Revenues	<u>6,155</u>	<u>6,155</u>	<u>6,876</u>	<u>721</u>
Expenditures				
Public Safety				
Fees	3,545	3,545	2,613	932
Housing of Prisoners	24,987	24,987	0	24,987
Total Expenditures	<u>28,532</u>	<u>28,532</u>	<u>2,613</u>	<u>25,919</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,377)	(22,377)	4,263	26,640
Cash Balance Beginning of Year	<u>22,377</u>	<u>22,377</u>	<u>22,377</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,640</u>	<u>\$ 26,640</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,263	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,263</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-AIRPORT FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expenses	0	0	0	0
Capital Purchases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>(7,464)</u>	<u>(7,464)</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>(7,464)</u>	<u>(7,464)</u>	<u>0</u>
Net Change in Cash Balance	0	(7,464)	(7,464)	0
Cash Balance Beginning of Year	<u>7,464</u>	<u>7,464</u>	<u>7,464</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,464</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (7,464)	
Net Change in Inventory			<u>(5,500)</u>	
Net Change in Fund Balance			<u>\$ (12,964)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-MUNICIPAL STREETS FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gas Tax	\$ 51,700	\$ 51,700	\$ 43,998	\$ (7,702)
Other	0	0	6,730	6,730
Total Revenues	<u>51,700</u>	<u>51,700</u>	<u>50,728</u>	<u>(972)</u>
Expenditures				
Public Works				
Operating Expense	<u>20,500</u>	<u>20,500</u>	<u>19,784</u>	<u>716</u>
Total Expenditures	<u>20,500</u>	<u>20,500</u>	<u>19,784</u>	<u>716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>31,200</u>	<u>31,200</u>	<u>30,944</u>	<u>(256)</u>
Other Financing Sources (Uses)				
Transfers In/Out	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Net Change in Cash Balance	31,200	11,200	10,944	(256)
Cash Balance Beginning of Year	<u>47,852</u>	<u>47,852</u>	<u>47,852</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>79,052</u></u>	\$ <u><u>59,052</u></u>	\$ <u><u>58,796</u></u>	\$ <u><u>(256)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,944	
Net Change in Taxes Receivable			404	
Net Change in Account Payables			<u>(160)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>11,188</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-INFRASTRUCTURE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expense	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	(6,728)	(6,728)	0
Total Other Sources (Uses)	<u>0</u>	<u>(6,728)</u>	<u>(6,728)</u>	<u>0</u>
Net Change in Cash Balance	0	(6,728)	(6,728)	0
Cash Balance Beginning of Year	<u>6,728</u>	<u>6,728</u>	<u>6,728</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,728</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (6,728)	
Net Change in Fund Balance			<u>\$ (6,728)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-LODGERS TAX FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Lodgers Tax	\$ 8,000	\$ 8,000	\$ 7,417	\$ (583)
Miscellaneous	0	0	166	166
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>7,583</u>	<u>(417)</u>
Expenditures				
Culture & Recreation				
Operating Expense	<u>9,300</u>	<u>9,300</u>	<u>7,583</u>	<u>1,717</u>
Total Expenditures	<u>9,300</u>	<u>9,300</u>	<u>7,583</u>	<u>1,717</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,300)	(1,300)	0	1,300
Cash Balance Beginning of Year	<u>12,291</u>	<u>12,291</u>	<u>12,291</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,991</u>	<u>\$ 10,991</u>	<u>\$ 12,291</u>	<u>\$ 1,300</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Taxes Receivable			(547)	
Net Change in Accounts Payable			<u>(154)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (701)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-VETERANS MEMORIAL PARK FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Donations	\$ 0	\$ 0	\$	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expenses				0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers	0	(751)	(751)	0
Total Other Sources (Uses)	<u>0</u>	<u>(751)</u>	<u>(751)</u>	<u>0</u>
Net Change in Cash Balance	0	(751)	(751)	0
Cash Balance Beginning of Year	<u>751</u>	<u>751</u>	<u>751</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 751</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (751)	
Net Change in Fund Balance			<u>\$ (751)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
SPECIAL REVENUE FUND-CEMETARY FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$	\$	\$	\$
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expenses				<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>(1,149)</u>	<u>(1,149)</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>(1,149)</u>	<u>(1,149)</u>	<u>0</u>
Net Change in Cash Balance	0	(1,149)	(1,149)	0
Cash Balance Beginning of Year	<u>1,149</u>	<u>1,149</u>	<u>1,149</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,149</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (1,149)	
Net Change in Fund Balance			<u>\$ (1,149)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 PROPRIETARY FUND-UTILITY
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service				
Water	\$ 196,560	\$ 196,560	\$ 201,557	\$ 4,997
Sewer	153,000	153,000	152,173	(827)
Sanitation	104,000	104,000	100,576	(3,424)
Connection Fees				
Water	11,100	11,100	6,925	(4,175)
Sewer	3,000	3,000	3,000	0
Other	23,670	23,670	26,594	2,924
Environmental Gross Receipt Tax	0	0	5,056	5,056
Total Revenues	<u>491,330</u>	<u>491,330</u>	<u>495,881</u>	<u>4,551</u>
Expenditures				
Water				
Personal Services	66,395	66,395	63,829	2,566
Benefits	52,823	52,823	33,407	19,416
Operating Expenses	121,350	121,350	117,479	3,871
Sewer				
Personal Services	110,802	110,802	84,128	26,674
Benefits	103,461	103,461	18,611	84,850
Operating Expenses	19,435	19,435	16,420	3,015
Debt Service				
Interest	0	0	17,903	(17,903)
Principal	24,973	24,973	4,370	20,603
Sanitation				
Contract Services	<u>110,500</u>	<u>110,500</u>	<u>114,690</u>	<u>(4,190)</u>
Total Expenditures	<u>609,739</u>	<u>609,739</u>	<u>470,837</u>	<u>143,092</u>
Excess (Deficiency) of Revenues Over Expenditures	(118,409)	(118,409)	25,044	143,453
Cash Balance Beginning of Year	<u>124,513</u>	<u>124,513</u>	<u>124,513</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,104</u>	<u>\$ 6,104</u>	<u>\$ 149,557</u>	<u>\$ 143,453</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 25,044	
Principal Paid			4,370	
Depreciation			(77,842)	
Capital Outlay			147,390	
Net Change in Accounts Receivable			(13,025)	
Net Change in Taxes Receivable			249	
Net Change in Inventories			23	
Net Change in Accounts Payable			1,548	
Net Change in Accrued Salaries			(773)	
Net Change in Accrued Interest			99	
Net Change in Customer Deposits			(5,301)	
Net Change in Net Assets-GAAP Basis			<u>\$ 81,782</u>	

The notes to the financial statements are an integral part of this statement.

AGENCY FUNDS

Motor Vehicle Department

To account for the collection and disbursement of Motor Vehicle Department fees to the State Motor Vehicle Department.

Court Automation Fund

To account for the collection of fines which are to be used for the purchase and maintenance of court automation systems.

Judicial Education Fund

To account for the collection and disbursement of funds used for education purposes.

Municipal Judge Fund

To account for collection and disbursement of funds collected by the municipal judge's office.

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
 AGENCY FUND
 Schedule of Changes in Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/09</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,220	\$ 0	\$ 2,220	\$ 0
Total Assets	<u>\$ 2,220</u>	<u>\$ 0</u>	<u>\$ 2,220</u>	<u>\$ 0</u>
LIABILITIES				
Funds Held for				
Others	\$ 2,220	\$ 0	\$ 2,220	\$ 0
Total Liabilities	<u>\$ 2,220</u>	<u>\$ 0</u>	<u>\$ 2,220</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Town of Carrizozo

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the Town of Carrozo (Town), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing the audit procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration - Local Government and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

November 20, 2009

STATE OF NEW MEXICO
TOWN OF CARRIZOZO
Schedule of Findings and Responses
For the Year Ended June 30, 2009

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

There are no current year Findings.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 20, 2009 in attendance was Robert E. Hemphill-Mayor, Leann Weihbrecht-Town Clerk, and De'Aun Willoughby, CPA.