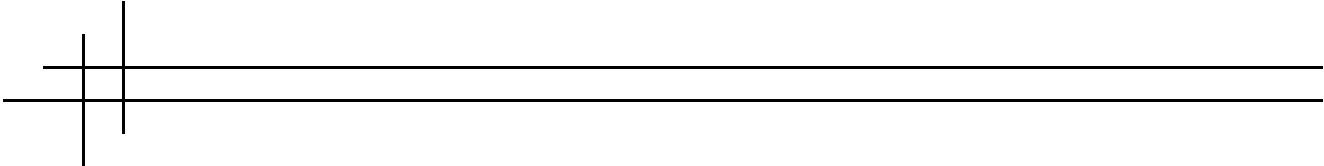




STATE OF NEW MEXICO  
**TOWN OF ELIDA**

**ANNUAL FINANCIAL REPORT**  
June 30, 2010

**De'Aun Willoughby CPA, PC**  
Certified Public Accountant  
Melrose, New Mexico



STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
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 For the Year Ended June 30, 2010

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STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
Official Roster  
June 30, 2010

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**TOWN COUNCIL**

Durward Dixon	Mayor
Kay Nuckols	Councilman
Steve Barron	Councilman
Manuel Jasso	Councilman
Glen Schattschneider	Councilman

**ADMINISTRATIVE OFFICIALS**

Sandra Monks	Clerk/Treasurer
--------------	-----------------

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

## Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the TOWN OF ELIDA

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 Elida, (Town), as of and for the year ended June 30, 2010, 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 and the budgetary comparison for the major capital project fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2010, and the respective changes in financial position, and cash flows where applicable, thereof and the respective budgetary comparison 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, 2010, and the respective changes in financial position thereof, and the respective budgetary comparisons of the nonmajor governmental funds and the enterprise 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 December 1, 2010, 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 *Government 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.

*De'Ann Willoughby* CPA PC

December 1, 2010

## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 Government-Wide Statement of Net Assets  
 June 30, 2010

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 294,653	\$ 30,467	\$ 325,120
Investments	6,501	0	6,501
Receivables	5,301	10,467	15,768
Total Current Assets	<u>306,455</u>	<u>40,934</u>	<u>347,389</u>
Capital Assets			
Capital Assets	3,042,181	1,973,933	5,016,114
Accumulated Depreciation	<u>(1,415,995)</u>	<u>(679,118)</u>	<u>(2,095,113)</u>
Total Noncurrent Assets	<u>1,626,186</u>	<u>1,294,815</u>	<u>2,921,001</u>
Total Assets	<u>1,932,641</u>	<u>1,335,749</u>	<u>3,268,390</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	0	0	0
Current Portion of Long-Term Debt	<u>15,639</u>	<u>0</u>	<u>15,639</u>
Total Current Liabilities	<u>15,639</u>	<u>0</u>	<u>15,639</u>
Noncurrent Liabilities			
Customer Deposits	0	7,130	7,130
Total Noncurrent Liabilities	<u>0</u>	<u>7,130</u>	<u>7,130</u>
Total Liabilities	<u>15,639</u>	<u>7,130</u>	<u>22,769</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	1,610,547	1,294,815	2,905,362
Unrestricted	<u>306,455</u>	<u>33,804</u>	<u>340,259</u>
Total Net Assets	<u>\$ 1,917,002</u>	<u>\$ 1,328,619</u>	<u>\$ 3,245,621</u>

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



## STATE OF NEW MEXICO

**TOWN OF ELIDA**

## Government-Wide Statement of Activities

For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net(Expenses) Revenue and Changes in Net Assets		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
<b>Governmental Activities</b>							
General Government	\$ 131,453	\$ 4,497	\$ 35,000	\$ 0	\$ (91,956)	\$ 0	\$ (91,956)
Public Safety	228,355	172,360	130,740	0	74,745	0	74,745
Public Works	30,899	0	0	726,519	695,620	0	695,620
Culture & Recreation	6,682	0	8,579	0	1,897	0	1,897
Interest on Long-Term Obligations	1,657	0	0	0	(1,657)	0	(1,657)
Depreciation (unallocated)	115,007	0	0	0	(115,007)	0	(115,007)
<b>Total Governmental Activities</b>	<b>514,053</b>	<b>176,857</b>	<b>174,319</b>	<b>726,519</b>	<b>563,642</b>	<b>0</b>	<b>563,642</b>
<b>Business-type Activities</b>							
Utility	129,877	83,158	0	0	0	(46,719)	(46,719)
<b>Total Business-type Activities</b>	<b>129,877</b>	<b>83,158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(46,719)</b>	<b>(46,719)</b>
<b>Total Primary Government</b>	<b>\$ 643,930</b>	<b>\$ 260,015</b>	<b>\$ 174,319</b>	<b>\$ 726,519</b>	<b>563,642</b>	<b>(46,719)</b>	<b>516,923</b>
<b>General Revenues</b>							
Gross Receipts Taxes					\$ 75,689	\$ 0	\$ 75,689
Gasoline Taxes					15,260	0	15,260
Property Taxes					2,163	0	2,163
Other Taxes					1,632	0	1,632
Interest Income					492	0	492
Miscellaneous					77,840	0	77,840
<b>Total General Revenues and Transfers</b>					<b>173,076</b>	<b>0</b>	<b>173,076</b>
Change in Net Assets					736,718	(46,719)	689,999
Net Assets - beginning					1,191,669	1,375,338	2,567,007
Restatement					(11,385)	0	(11,385)
Restated Beginning Net Assets					1,180,284	1,375,338	2,555,622
Net Assets - ending					<b>\$ 1,917,002</b>	<b>\$ 1,328,619</b>	<b>\$ 3,245,621</b>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2010

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 107,715	\$ 29,371	\$ 0
Investments	6,501	0	0
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	5,301	0	0
Total Assets	<u>\$ 119,517</u>	<u>\$ 29,371</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
<b>Reserved</b>			
Special Revenue Fund	0	29,371	0
<b>Unreserved Reported In</b>			
General Fund	119,517	0	0
Total Fund Balances	<u>119,517</u>	<u>29,371</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 119,517</u>	<u>\$ 29,371</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2010

	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 157,567	294,653
Investments	0	6,501
Receivables (Net of Allowance for Uncollectibles if Applicable)		
Taxes	0	5,301
Total Assets	\$ 157,567	\$ 306,455
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 0	\$ 0
Total Liabilities	0	0
Fund Balances		
Reserved		
Special Revenue Fund	157,567	186,938
Unreserved Reported In General Fund	0	119,517
Total Fund Balances	157,567	306,455
Total Liabilities and Fund Balances	\$ 157,567	\$ 306,455

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2010

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

Total Fund Balance - Governmental Funds		\$	306,455
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	\$	3,042,181
	Accumulated depreciation is		<u>(1,415,995)</u>
			1,626,186
Long-term and certain other liabilities, including bonds 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 :			
	Bond payable		<u>(15,639)</u>
Total net assets - governmental activities		\$	<u><u>1,917,002</u></u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2010

	General	Special Revenue	
		Fire	Capital Projects
<b>Revenues</b>			
Gross Receipt Taxes	\$ 75,689	\$ 0	\$ 0
Gas Taxes	15,260	0	0
Property Taxes	2,163	0	0
Cigarette Taxes	696	0	0
Motor Vehicle	598	0	0
Charges for Services	4,497	0	0
Fees & Fines	141,147	0	0
Federal Grants	0	0	0
State & Local Grants	47,252	96,201	714,267
County Subsidy	0	3,350	0
Interest Income	121	81	0
Miscellaneous	12,716	23,086	0
<b>Total Revenues</b>	<b>300,139</b>	<b>122,718</b>	<b>714,267</b>
<b>Expenditures</b>			
Current			
General	131,453	0	0
Public Safety	97,542	62,940	0
Public Works	29,523	0	0
Culture & Recreation	4,934	0	0
Capital Outlay	40,942	110,096	714,267
Debt Service			
Principal	0	18,651	0
Interest	0	1,657	0
<b>Total Expenditures</b>	<b>304,394</b>	<b>193,344</b>	<b>714,267</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,255)	(70,626)	0
Other Financing Sources (Uses)			
Transfer In/(Out)	(1,981)	0	0
<b>Total Other Sources</b>	<b>(1,981)</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	(6,236)	(70,626)	0
Fund Balances at Beginning of Year	138,185	98,950	0
Restatement	(12,432)	1,047	0
Restated Beginning Fund Balance	125,753	99,997	0
Fund Balance End of Year	\$ 119,517	\$ 29,371	\$ 0

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2010

	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>		
Gross Receipt Taxes	\$ 0	\$ 75,689
Gas Taxes	0	15,260
Property Taxes	0	2,163
Cigarette Taxes	338	1,034
Motor Vehicle	0	598
Charges for Services	1,057	5,554
Fees & Fines	30,156	171,303
Federal Grants	2,125	2,125
State & Local Grants	34,293	892,013
County Subsidy	3,350	6,700
Interest Income	290	492
Miscellaneous	42,038	77,840
<b>Total Revenues</b>	<u>113,647</u>	<u>1,250,771</u>
<b>Expenditures</b>		
Current		
General	0	131,453
Public Safety	67,873	228,355
Public Works	1,376	30,899
Culture & Recreation	1,748	6,682
Capital Outlay	35,478	900,783
Debt Service		
Principal	0	18,651
Interest	0	1,657
<b>Total Expenditures</b>	<u>106,475</u>	<u>1,318,480</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,172</u>	<u>(67,709)</u>
<b>Other Financing Sources (Uses)</b>		
Transfer In/(Out)	1,981	0
<b>Total Other Sources</b>	<u>1,981</u>	<u>0</u>
Net Change in Fund Balance	<u>9,153</u>	<u>(67,709)</u>
Fund Balances at Beginning of Year	148,414	385,549
Restatement	0	(11,385)
Restated Beginning Fund Balance	<u>148,414</u>	<u>374,164</u>
Fund Balance End of Year	<u>\$ 157,567</u>	<u>\$ 306,455</u>

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

STATE OF NEW MEXICO

**TOWN OF ELIDA**

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

To the Statement of Activities

June 30, 2010

Net Change in Fund Balance \$ (67,709)

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.

Depreciation expense	\$ (115,007)	
Capital Outlays	<u>900,783</u>	785,776

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

18,651

Changes in Net Assets of Governmental Activities

\$ 736,718

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

## STATE OF NEW MEXICO

## TOWN OF ELIDA

## GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Gross Receipts	\$ 92,360	\$ 92,360	\$ 75,994	\$ (16,366)
Gasoline Taxes	14,661	14,661	15,258	597
Property Taxes	2,755	2,755	2,158	(597)
Cigarette Taxes	754	754	673	(81)
Motor Vehicle	645	645	605	(40)
Charges for Services	4,000	4,000	4,497	497
License, Fees and Fines	121,450	121,450	141,147	19,697
State Grants	50,252	50,252	47,252	(3,000)
Interest Income	175	175	121	(54)
Miscellaneous	22,500	22,500	12,722	(9,778)
Total Revenues	<u>309,552</u>	<u>309,552</u>	<u>300,427</u>	<u>(9,125)</u>
Expenditures				
Financial	45,600	45,600	43,573	2,027
Elections	1,000	1,000	650	350
Judicial	132,746	92,746	87,230	5,516
Public Safety	105,000	105,000	97,541	7,459
Highway & Streets	32,836	72,836	70,465	2,371
Parks & Recreation	5,964	5,964	4,935	1,029
Total Expenditures	<u>323,146</u>	<u>323,146</u>	<u>304,394</u>	<u>18,752</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,594)</u>	<u>(13,594)</u>	<u>(3,967)</u>	<u>9,627</u>
Other Financing Sources (Uses)				
Transfers In (Out)	(900)	(1,900)	(1,981)	81
Total Other Financing Sources (Uses)	<u>(900)</u>	<u>(1,900)</u>	<u>(1,981)</u>	<u>81</u>
Net Change in Cash Balance	(14,494)	(15,494)	(5,948)	9,708
Cash Balance Beginning of Year	<u>120,164</u>	<u>120,164</u>	<u>120,164</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 105,670</u>	<u>\$ 104,670</u>	<u>\$ 114,216</u>	<u>\$ (9,546)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (5,948)	
Net changes in Taxes Receivable			(288)	
Net Change in Fund Balance			<u>\$ (6,236)</u>	

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



STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-FIRE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 63,945	\$ 76,945	\$ 96,201	\$ 19,256
Interest Income	0	0	81	81
County Subsidy	0	0	3,350	3,350
State Forestry	0	0	22,859	22,859
Other	0	0	227	227
Total Revenues	<u>63,945</u>	<u>76,945</u>	<u>122,718</u>	<u>45,773</u>
<b>Expenditures</b>				
<b>Public Safety</b>				
Operating Expenses	155,400	193,344	62,940	130,404
Capital Purchases	0	0	110,096	(110,096)
Lease Purchase				
Interest	0	0	1,657	(1,657)
Principal	0	0	18,651	(18,651)
Total Public Safety	<u>155,400</u>	<u>193,344</u>	<u>193,344</u>	<u>0</u>
Total Expenditures	<u>155,400</u>	<u>193,344</u>	<u>193,344</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(91,455)	(116,399)	(70,626)	45,773
Cash Balance Beginning of Year	<u>99,997</u>	<u>99,997</u>	<u>99,997</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,542</u>	<u>\$ (16,402)</u>	<u>\$ 29,371</u>	<u>\$ 45,773</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (70,626)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (70,626)</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 PROPRIETARY FUND  
 Statement of Net Assets  
 June 30, 2010

ASSETS	Utility
Current Assets	
Cash and Cash Equivalents	\$ 30,467
Receivables (net of allowance for uncollectible accounts)	
Accounts	10,467
Total Current Assets	40,934
Noncurrent Assets	
Land	104,994
Buildings & Improvements	1,762,088
Equipment & Vehicles	106,851
Less: Accumulated Depreciation	(679,118)
Total Noncurrent Assets	1,294,815
Total Assets	1,335,749
LIABILITIES	
Current Liabilities	
Accounts Payable	0
Total Current Liabilities	0
Noncurrent Liabilities	
Customer Deposits	7,130
Total Noncurrent Liabilities	7,130
Total Liabilities	7,130
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,294,815
Unrestricted	33,804
Total Net Assets	\$ 1,328,619

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 PROPRIETARY FUND  
 Statement of Revenue, Expenses and Changes in Net Assets  
 For the Year Ended June 30, 2010

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	<u>Utility</u>
Operating Revenues	
Sales & Service	\$ 83,158
Total Operating Revenues	<u>83,158</u>
Operating Expenses	
Salaries & Benefits	14,424
Operating Expense	56,896
Depreciation	<u>58,557</u>
Total Operating Expenses	<u>129,877</u>
Operating Income (Loss)	(46,719)
Total Net Assets - Beginning	<u>1,375,338</u>
Total Net Assets - Ending	<u>\$ 1,328,619</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 PROPRIETARY FUND  
 Combined Statement of Cash Flows  
 For the Year Ended June 30, 2010

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	<u>Utility</u>
Cash Flows from Operating Activities	
Cash Received From Customers	\$ 73,409
Cash Paid to Suppliers and Employees	<u>(64,010)</u>
Net Cash Provided by Operating Activities	<u>9,399</u>
Net Increase (Decrease) in Cash	9,399
Cash, Beginning of the Year	<u>21,068</u>
Cash, End of the Year	<u><u>\$ 30,467</u></u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (46,719)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	58,557
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(3,389)
Increase (Decrease) in Accounts Payable	0
Increase (Decrease) in Meter Deposits	<u>950</u>
Net Cash Provided by Operating Activities	<u><u>\$ 9,399</u></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 Elida (Town) ,has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 have an impact on the results of operations or the financial position of the Town.

**Financial Reporting Entity**

The Town 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 and Basis of Accounting**

***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 such as Small Cities Assistance, Fire Protection, EMS, LEPF 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 the operation and maintenance of the Town Fire Department. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1).

**Capital Projects** - To account for the construction project for the streets in the Town. Financing is provided by a state grant.

**Proprietary Funds** - Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

The Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period on which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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.

**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 statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resource measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

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 specific revenue recognition policy for property taxes are recognized when levied, derived tax revenue (such as gross receipts tax) are recognized when the underlying transaction takes place, and grants are recognized when all of the eligibility requirements have been met.

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. Legal budget control for expenditures is by 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.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

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	20-50 Years
Equipment	3-15 Years

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.

Accumulated Unpaid Vacation and Sick Leave Benefits

Upon retirement or death of certain employees, the Town pays any accrued vacation leave in a lump cash payment to such employee or his/her estate. All amounts as of June 30, 2010 are considered non-current, and any payments are made from the proprietary or general funds, where employee earns vacation pay.

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 resources.

**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).

Reconciliations are located at the bottom of each budget actual.

**NOTE C: DEPOSITS 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.

**Portales National Bank**

<u>Name of Account</u>	<u>Balance Per Bank 06/30/10</u>	<u>Reconciled Balance</u>	<u>Type</u>
General Fund	\$ 310,688	\$ 247,649	Checking
Corrections	36,623	36,623	Saving
General Fund	10,000	10,000	Saving
Cemetery	13,000	13,000	Saving
Fire & Rescue	13,721	13,721	Saving
TOTAL Deposited	<u>384,032</u>	<u>\$ 320,993</u>	
Less: FDIC Coverage	<u>(323,344)</u>		
Uninsured Amount	60,688		
50% collateral requirement	30,344		
Pledged securities	<u>150,000</u>		
Over (Under) requirement	<u>\$ 119,656</u>		

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
Notes to the Financial Statements  
June 30, 2010

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

The following securities are pledged:

<u>Description</u>	<u>Type</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
Cloudcroft SD	Bond	189134DJ5	\$ <u>150,000</u>	8/1/13	TIB, Dallas, TX

**Bank of Albuquerque**

<u>Name of Account</u>	<u>Balance Per Bank 06/30/10</u>	<u>Reconciled Balance</u>	<u>Type</u>
Elida Program	\$ 4,127	\$ <u>4,127</u>	Savings
Less: FDIC Coverage Uninsured Amount	<u>(4,127)</u>		
	\$ <u>0</u>		

The funds held at the Bank of Albuquerque are restricted for debt service for a loan with NMFA.

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 388,159
Collateralized:	
Collateral held by the pledging bank in Town's name	60,688
Uninsured and uncollateralized	327,471
Total Deposits	\$ <u>448,847</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, 2010 none of the Town's bank balance of \$448,237 was exposed to custodial credit risk.

**New Mexico State Treasurer**

<u>Name of Account</u>	<u>Balance Per Bank 06/30/10</u>	<u>Reconciled Balance</u>	<u>Type</u>
Town of Elida	\$ 6,399	\$ 6,399	Savings
Town of Elida Reserve	102	102	Savings
Total	\$ <u>6,501</u>	\$ <u>6,501</u>	

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

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1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this

2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However,

3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at [www.stonm.org](http://www.stonm.org). As of June 30, 2010, the LGIP WAM is 50 days.

4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

**NOTE D: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Increases	Decreases	Balance 6/30/10
<b>Governmental Activities</b>				
Capital Assets, not being Depreciated				
Land	\$ 11,707	\$ 0	\$ 0	\$ 11,707
Capital Assets, being Depreciated				
Infrastructure	605,716	755,209	0	1,360,925
Buildings	352,031	30,967	0	382,998
Equipment	981,141	79,129	0	1,060,270
Vehicles	190,803	35,478		226,281
Total Capital Assets, being Depreciated	2,129,691	900,783	0	3,030,474
Total Capital Assets	2,141,398	900,783	0	3,042,181
<b>Less Accumulated Depreciation</b>				
Infrastructure	394,016	35,472	0	429,488
Buildings	162,950	12,498	0	175,448
Equipment	679,687	48,591	0	728,278
Vehicles	64,335	18,446		82,781
Total Accumulated Depreciation	1,300,988	115,007	0	1,415,995
Capital Assets, net	\$ 840,410	\$ 785,776	\$ 0	\$ 1,626,186

Depreciation expense was not allocated to governmental activities.

Total depreciation expenses \$ 115,007

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	<u>Balance 6/30/09</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/10</u>
<b>Business-Type Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 104,994	\$ 0	\$ 0	\$ 104,994
Total Capital Assets not being Depreciated	<u>104,994</u>	<u>0</u>	<u>0</u>	<u>104,994</u>
Capital Assets, being Depreciated				
Buildings & Improvements	1,762,088	0	0	1,762,088
Machinery & Equipment	106,851	0	0	106,851
Total Capital Assets	<u>\$ 1,973,933</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,973,933</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ 558,998	\$ 52,015	\$ 0	\$ 611,013
Machinery & Equipment	61,563	6,542	0	68,105
Total Accumulated Depreciation	<u>620,561</u>	<u>58,557</u>	<u>0</u>	<u>679,118</u>
Capital Assets, net	<u>\$ 1,353,372</u>	<u>\$ (58,557)</u>	<u>\$ 0</u>	<u>\$ 1,294,815</u>

**NOTE E: LONG TERM DEBT**

Governmental Funds

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

	<u>Balance 6/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/10</u>	<u>Amounts Due Within One Year</u>
Notes Payable	\$ 34,290	\$ 0	\$ 18,651	\$ 15,639	\$ 15,639

All activities of bonds and loans payable at June 30, 2010 are comprised of the following individual issues:

2000 NMFA Loan, due in annual installments of \$20,308 including interest, at 3% to 5.27% through 2010.

The annual requirements to amortize the NMFA Loan as of June 30, 2010, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 15,639	\$ 850	\$ 16,489
	<u>\$ 15,639</u>	<u>\$ 850</u>	<u>\$ 16,489</u>

**NOTE F: 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 Fund. Only those collections received are recorded as revenues for the budget presentation.

**NOTE G: RECEIVABLES**

Receivables as of June 30, 2010, were as follows:

	General	Utilities	Total
Accounts	\$ 0	\$ 10,467	\$ 10,467
Property Taxes	4	0	4
Gross Receipts Taxes	3,638	0	3,638
Motor Vehicle Taxes	45	0	45
Cigarette Tax	41	0	41
Gasoline Tax	1,573	0	1,573
	<u>\$ 5,301</u>	<u>\$ 10,467</u>	<u>\$ 15,768</u>

All receivable balances are expected to be collected within one year.

**NOTE H: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

As of June 30, 2010, the Town had the following interfund transfers:

Transfer From		Transfer To	
General	\$ 2,000	Recreation	\$ 2,000
Corrections	19	General	19

The above transfers were made to the funds to support current operations and cover short falls.

**NOTE I: 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](http://www.pera.state.nm.us).

**Funding Policy.** Plan members are required to contribute 7% of their gross salary. The Town is required to contribute 18.5% for police officers and 16.3% for other employees of the gross covered salary. The contribution requirements of plan members and the Town are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Town's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$15,728, \$24,614, and \$28,296, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Town's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$1,595 \$2,244, and \$2,335, respectively, which equal the required contributions for each year.

**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.

**NOTE L: SURETY BOND**

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 M: RESTATEMENT**

The fund balance for the General Fund was restated \$(12,432) for an accounts payable amount of \$399 and taxes receivable of \$12,832 that should have been reversed in June 30, 2008. The fund balance of the Fire Fund was restated by \$1,047. The Net Assets were restated by \$11,385) for the same reasons.



## STATE OF NEW MEXICO

**TOWN OF ELIDA**

## CAPITAL PROJECTS

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 906,614	\$ 906,614	\$ 714,267	\$ (192,347)
Federal Grants	174,677	174,677	0	(174,677)
Total Revenues	<u>1,081,291</u>	<u>1,081,291</u>	<u>714,267</u>	<u>(367,024)</u>
Expenditures				
Public Works				
Capital Purchases	787,557	787,557	714,267	73,290
Total Public Works	<u>787,557</u>	<u>787,557</u>	<u>714,267</u>	<u>73,290</u>
Total Expenditures	<u>787,557</u>	<u>787,557</u>	<u>714,267</u>	<u>73,290</u>
Excess (Deficiency) of Revenues Over Expenditures	293,734	293,734	0	(293,734)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 293,734</u>	<u>\$ 293,734</u>	<u>\$ 0</u>	<u>\$ (293,734)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</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**

### **Emergency Medical Services**

To account for the operation and maintenance of the Town EMS Department. Financing is primarily from an annual EMS allotment and fees collected for emergency transportation. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

### **Law Enforcement Protection**

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)

### **Department of Justice Asset Forfeiture**

To account for the revenues from seized cash and sale proceeds of confiscated items during drug and other criminal investigations and arrests. The funds are used to supplement law enforcement operations and capital outlay.

### **Correction**

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)

### **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.

### **Environmental**

To account for the operation and maintenance of the Environmental issues within the Town. Financing is provided by a county subsidy. The fund was created by grant provisions.

### **Recreation**

To account for the operation and maintenance of the Town's youth recreation program. Financing is provided by the state shared cigarette tax. The fund was created by the authority of state statute. (NMSA 7-12-15)

### **Library**

To account for the operation of the Town library. Financing is provided by a county subsidy and various grants. The fund was created by the authority of state statute.

### **Senior Citizens**

To account for the receipts and expenditures of the Senior Citizens. Financing is provided by the Area on Aging. The fund was created by the authority of state statute. (NMSA 7-12-15)

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2010

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	<u>EMS</u>	<u>Law Enforcement Protection</u>	<u>Dept of Justice Asset Forfeiture</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 50,814	\$ 0	\$ 1,685
Total Assets	<u>\$ 50,814</u>	<u>\$ 0</u>	<u>\$ 1,685</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved			
Special Revenue	50,814	0	1,685
Total Fund Balance	<u>50,814</u>	<u>0</u>	<u>1,685</u>
Total Liabilities and Fund Balance	<u>\$ 50,814</u>	<u>\$ 0</u>	<u>\$ 1,685</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2010

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	<u>Corrections</u>	<u>Cemetery</u>	<u>Environmental</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 43,644	\$ 17,336	\$ 40,000
Total Assets	<u>\$ 43,644</u>	<u>\$ 17,336</u>	<u>\$ 40,000</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved			
Special Revenue	43,644	17,336	40,000
Total Fund Balance	<u>43,644</u>	<u>17,336</u>	<u>40,000</u>
Total Liabilities and Fund Balance	<u>\$ 43,644</u>	<u>\$ 17,336</u>	<u>\$ 40,000</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2010

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	<u>Recreation</u>	<u>Library</u>	<u>Senior Citizens</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,537	\$ 2,551	\$ 0
Total Assets	<u>\$ 1,537</u>	<u>\$ 2,551</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved			
Special Revenue	1,537	2,551	0
Total Fund Balance	<u>1,537</u>	<u>2,551</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,537</u>	<u>\$ 2,551</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2010

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	<u>Total</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 157,567
Total Assets	<u>\$ 157,567</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts Payable	\$ 0
Total Liabilities	<u>0</u>
Fund Balance	
Reserved	
Special Revenue	<u>157,567</u>
Total Fund Balance	<u>157,567</u>
Total Liabilities and Fund Balance	<u>\$ 157,567</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	EMS	Law Enforcement Protection	Dept of Justice Asset Forfeiture
<b>Revenues</b>			
Cigarette Taxes	\$ 0	\$ 0	\$ 0
Charge for Services	1,057	0	0
Fees & Fines	0	0	0
Federal Grant	0	0	0
State Grants	7,239	20,600	0
County Subsidy	3,350	0	0
Interest Income	0	0	0
Miscellaneous	347	0	0
Total Revenues	<u>11,993</u>	<u>20,600</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Public Safety	19,312	8,561	0
Public Works	0	0	0
Culture & Recreation	0	0	0
Capital Outlay	0	26,739	0
Total Expenditures	<u>19,312</u>	<u>35,300</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,319)</u>	<u>(14,700)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(7,319)	(14,700)	0
Fund Balances at Beginning of Year	<u>58,133</u>	<u>14,700</u>	<u>1,685</u>
Fund Balance End of Year	<u>\$ 50,814</u>	<u>\$ 0</u>	<u>\$ 1,685</u>

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



STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

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	<u>Corrections</u>	<u>Cemetery</u>	<u>Environmental</u>
Revenues			
Cigarette Taxes	\$ 0	\$ 0	\$ 0
Charge for Services	0	0	0
Fees & Fines	30,156	0	0
Federal Grant	0	0	0
State Grants	0	0	0
County Subsidy	0	0	0
Interest Income	133	157	0
Miscellaneous	0	874	40,000
Total Revenues	<u>30,289</u>	<u>1,031</u>	<u>40,000</u>
Expenditures			
Current			
Public Safety	40,000	0	0
Public Works	0	1,376	0
Culture & Recreation	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>40,000</u>	<u>1,376</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,711)</u>	<u>(345)</u>	<u>40,000</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	(19)	0	0
Total Other Sources	<u>(19)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(9,730)	(345)	40,000
Fund Balances at Beginning of Year	<u>53,374</u>	<u>17,681</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 43,644</u>	<u>\$ 17,336</u>	<u>\$ 40,000</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

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	<u>Recreation</u>	<u>Library</u>	<u>Senior Citizens</u>
Revenues			
Cigarette Taxes	\$ 338	\$ 0	\$ 0
Charge for Services	0	0	0
Fees & Fines	0	0	0
Federal Grant	0	0	2,125
State Grants	0	0	6,454
County Subsidy	0	0	0
Interest Income	0	0	0
Miscellaneous	100	557	160
Total Revenues	<u>438</u>	<u>557</u>	<u>8,739</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	1,410	338	0
Capital Outlay	0	0	8,739
Total Expenditures	<u>1,410</u>	<u>338</u>	<u>8,739</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(972)</u>	<u>219</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	2,000	0	0
Total Other Sources	<u>2,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	1,028	219	0
Fund Balances at Beginning of Year	<u>509</u>	<u>2,332</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,537</u>	<u>\$ 2,551</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

---

	<u>Total</u>
Revenues	
Cigarette Taxes	\$ 338
Charge for Services	1,057
Fees & Fines	30,156
Federal Grant	2,125
State Grants	34,293
County Subsidy	3,350
Interest Income	290
Miscellaneous	<u>42,038</u>
Total Revenues	<u>113,647</u>
Expenditures	
Current	
Public Safety	67,873
Public Works	1,376
Culture & Recreation	1,748
Capital Outlay	<u>35,478</u>
Total Expenditures	<u>106,475</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,172</u>
Other Financing Sources (Uses)	
Transfer In/(Out)	<u>1,981</u>
Total Other Sources	<u>1,981</u>
Net Change in Fund Balance	9,153
Fund Balances at Beginning of Year	<u>148,414</u>
Fund Balance End of Year	<u>\$ 157,567</u>

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-EMERGENCY MEDICAL SERVICES  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
County Subsidy	\$ 0	\$ 0	\$ 3,350	\$ 3,350
Charge for Services	0	0	1,057	1,057
State & Local Grants	0	0	7,239	7,239
Miscellaneous	4,000	4,000	347	(3,653)
<b>Total Revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>11,993</b>	<b>7,993</b>
<b>Expenditures</b>				
<b>Public Safety</b>				
Operating Expenses	20,693	20,693	19,312	1,381
<b>Total Public Safety</b>	<b>20,693</b>	<b>20,693</b>	<b>19,312</b>	<b>1,381</b>
<b>Total Expenditures</b>	<b>20,693</b>	<b>20,693</b>	<b>19,312</b>	<b>1,381</b>
Excess (Deficiency) of Revenues Over Expenditures	(16,693)	(16,693)	(7,319)	9,374
Cash Balance Beginning of Year	58,133	58,133	58,133	0
Cash Balance End of Year	\$ 41,440	\$ 41,440	\$ 50,814	\$ 9,374
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (7,319)	
Net Change in Fund Balance			\$ (7,319)	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-LAW ENFORCEMENT PROTECTION  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 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 Expenses	8,560	8,560	8,560	0
Capital Outlay	<u>26,740</u>	<u>26,740</u>	<u>26,740</u>	<u>0</u>
Total Public Safety	<u>35,300</u>	<u>35,300</u>	<u>35,300</u>	<u>0</u>
Total Expenditures	<u>35,300</u>	<u>35,300</u>	<u>35,300</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,700)	(14,700)	(14,700)	0
Cash Balance Beginning of Year	<u>14,700</u>	<u>14,700</u>	<u>14,700</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,700)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (14,700)</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-DEPT OF JUSTICE ASSET FORFEITURE  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	<u>1,685</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Safety	<u>1,685</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,685</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,685)	0	0	0
Cash Balance Beginning of Year	<u>1,685</u>	<u>1,685</u>	<u>1,685</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 1,685</u>	<u>\$ 1,685</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-CORRECTIONS FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 32,200	\$ 32,200	\$ 30,156	\$ (2,044)
Interest Income	0	0	133	133
Total Revenues	<u>32,200</u>	<u>32,200</u>	<u>30,289</u>	<u>(1,911)</u>
Expenditures				
Public Safety				
Housing of Prisoners	70,000	70,000	40,000	30,000
Total Public Safety	<u>70,000</u>	<u>70,000</u>	<u>40,000</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(37,800)</u>	<u>(37,800)</u>	<u>(9,711)</u>	<u>28,089</u>
Other Financing Sources (Uses)				
Transfer to General	100	0	(19)	(19)
Total Other Sources	<u>100</u>	<u>0</u>	<u>(19)</u>	<u>(19)</u>
Net Change in Cash Balance	(37,700)	(37,800)	(9,730)	28,070
Cash Balance Beginning of Year	<u>53,374</u>	<u>53,374</u>	<u>53,374</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 15,674</u>	<u>\$ 15,574</u>	<u>\$ 43,644</u>	<u>\$ 28,070</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (9,730)	
Net Change in Fund Balance			<u>\$ (9,730)</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-CEMETERY  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Donations	\$ 0	\$ 0	\$ 460	\$ 460
Sale of Lots	750	1,525	414	(1,111)
Interest Income	400	0	157	157
Total Revenues	<u>1,150</u>	<u>1,525</u>	<u>1,031</u>	<u>(494)</u>
<b>Expenditures</b>				
<b>Public Works</b>				
Operating Expenses	1,400	1,400	1,376	24
Total Public Works	<u>1,400</u>	<u>1,400</u>	<u>1,376</u>	<u>24</u>
Total Expenditures	<u>1,400</u>	<u>1,400</u>	<u>1,376</u>	<u>24</u>
Excess (Deficiency) of Revenues Over Expenditures	(250)	125	(345)	(470)
Cash Balance Beginning of Year	<u>17,681</u>	<u>17,681</u>	<u>17,681</u>	<u>0</u>
Cash Balance End of Year	\$ <u>17,431</u>	\$ <u>17,806</u>	\$ <u>17,336</u>	\$ <u>(470)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(345)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(345)</u>	

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



STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-ENVIRONMENTAL  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
County Subsidy	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expenses	40,000	40,000	0	40,000
Total Public Works	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	40,000	40,000
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>\$ 40,000</u>	<u>\$ 40,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 40,000	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 40,000</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-RECREATION  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Cigarette Taxes	\$ 353	\$ 353	\$ 338	\$ (15)
Miscellaneous	250	250	100	(150)
Total Revenues	<u>603</u>	<u>603</u>	<u>438</u>	<u>(165)</u>
<b>Expenditures</b>				
<b>Culture &amp; Recreation</b>				
Operating Expense	1,500	1,500	1,410	90
Total Culture & Recreation	<u>1,500</u>	<u>1,500</u>	<u>1,410</u>	<u>90</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,410</u>	<u>90</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(897)</u>	<u>(897)</u>	<u>(972)</u>	<u>(75)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	1,500	1,500	2,000	500
Total Other Financing Sources (Uses)	<u>1,500</u>	<u>1,500</u>	<u>2,000</u>	<u>500</u>
Net Change in Cash Balance	603	603	1,028	425
Cash Balance Beginning of Year	<u>509</u>	<u>509</u>	<u>509</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,112</u>	<u>\$ 1,112</u>	<u>\$ 1,537</u>	<u>\$ 425</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 1,028	
Net Change in Fund Balance			<u>\$ 1,028</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-LIBRARY FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Donations	\$ 557	\$ 557	\$ 557	\$ 0
Total Revenues	<u>557</u>	<u>557</u>	<u>557</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expense	650	50	338	(288)
Total Culture & Recreation	<u>650</u>	<u>50</u>	<u>338</u>	<u>(288)</u>
Total Expenditures	<u>650</u>	<u>50</u>	<u>338</u>	<u>(288)</u>
Excess (Deficiency) of Revenues Over Expenditures	(93)	507	219	(288)
Cash Balance Beginning of Year	<u>2,332</u>	<u>2,332</u>	<u>2,332</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,239</u>	\$ <u>2,839</u>	\$ <u>2,551</u>	\$ <u>(288)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>219</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>219</u>	

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

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
SPECIAL REVENUE FUND-SENIOR CITIZENS FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 6,953	\$ 6,953	\$ 8,617	\$ 1,664
Federal Grants	1,700	1,700	2,125	425
Miscellaneous	2,164	2,164	160	(2,004)
Total Revenues	<u>10,817</u>	<u>10,817</u>	<u>10,902</u>	<u>85</u>
<b>Expenditures</b>				
<b>Culture &amp; Recreation</b>				
Operating Expenses	8,654	8,654	8,739	(85)
Total Culture & Recreation	<u>8,654</u>	<u>8,654</u>	<u>8,739</u>	<u>(85)</u>
Excess (Deficiency) of Revenues Over Expenditures	2,163	2,163	2,163	0
Cash Balance Beginning of Year	<u>(2,163)</u>	<u>(2,163)</u>	<u>(2,163)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,163	
Net Change in Accounts Receivables			<u>(2,163)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

**ENTERPRISE FUNDS**

**Utility**

To account for the provision of water, sewer and sanitation service to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, financing and related debt service, and billing and collections.

STATE OF NEW MEXICO  
**TOWN OF ELIDA**  
 PROPRIETARY FUND-UTILITY  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Sales & Service	\$ 69,700	\$ 74,700	\$ 80,619	\$ 5,919
State & Local Grants	243,734	243,734	0	(243,734)
Total Revenues	<u>313,434</u>	<u>318,434</u>	<u>80,619</u>	<u>(237,815)</u>
<b>Expenditures</b>				
Water & Sewer	60,000	60,000	52,932	7,068
Sanitation	21,500	21,500	18,389	3,111
Capital Outlay	243,734	243,734	0	243,734
Total Expenditures	<u>325,234</u>	<u>325,234</u>	<u>71,321</u>	<u>253,913</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,800)	(6,800)	9,298	16,098
Cash Balance Beginning of Year	<u>21,168</u>	<u>21,168</u>	<u>21,168</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,368</u>	<u>\$ 14,368</u>	<u>\$ 30,466</u>	<u>\$ 16,098</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,298	
Depreciation			(58,557)	
Net Changes in Accounts Receivable			3,390	
Net Changes in Meter Deposits			(850)	
Operating Income (Loss)			<u>\$ (46,719)</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 ELIDA

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 Elida (Town), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. 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.

 CPA PC

December 1, 2010



**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 December 1, 2010. In attendance were Durward Dixon, Mayor, Sandra Monks, Clerk/Treasurer and De'Aun Willoughby, CPA.