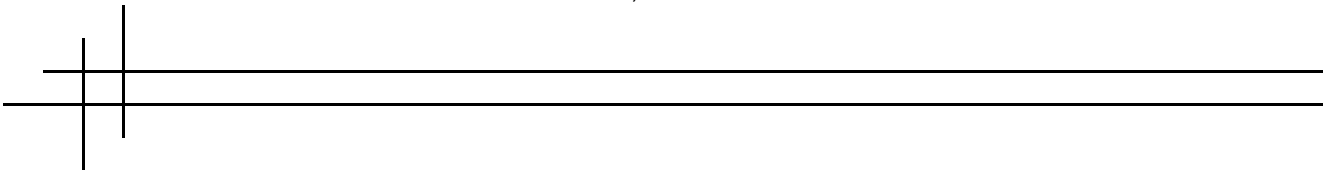




STATE OF NEW MEXICO
TOWN OF ELIDA

ANNUAL FINANCIAL REPORT
June 30, 2011

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



STATE OF NEW MEXICO
TOWN OF ELIDA
 Table of Contents
 For the Year Ended June 30, 2011

	<u>Page</u>
Official Roster.....	4
Independent Auditor's Report.....	5-6
FINANCIAL SECTION	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	8
Statement of Activities.....	9
Fund Financial Statements	
Government Funds - Balance Sheet.....	10-11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	13-14
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	15
MAJOR FUND	
General Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	16
Fire Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	17
Proprietary Funds	
Statement of Net Assets.....	18
Statement of Revenues, Expenses and Changes in Net Assets.....	19
Statement of Cash Flows.....	20
Notes to Financial Statements.....	21-32
SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS	
Capital Projects	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	33

SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS

Non-major Special Revenue Funds

Combining Balance Sheet.....	36-39
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	40-43

Emergency Medical Services

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	44
--	----

Law Enforcement Protection

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	45
--	----

Department of Justice Asset Forfeiture

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	46
--	----

Correction

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	47
--	----

Cemetery

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	48
--	----

Environmental

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	49
--	----

Recreation

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	50
--	----

Library

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	51
--	----

Senior Citizens

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	52
--	----

OTHER SUPPLEMENTAL INFORMATION

Utility Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	54
--	----

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	55-56
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Findings and Responses	57
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STATE OF NEW MEXICO
TOWN OF ELIDA
Official Roster
June 30, 2011

TOWN COUNCIL

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

ADMINISTRATIVE OFFICIALS

Sandra Monks	Clerk/Treasurer
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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 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 and the budgetary comparisons for the general fund and major special revenue fund of the Town of Elida, (Town), as of and for the year ended June 30, 2011, 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, 2011, 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, 2011, 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 fund 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, 2011, and the respective changes in financial position thereof, and the respective budgetary comparisons of the nonmajor governmental 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 1, 2011, 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'Aun Willoughby CPA PC

November 1, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
TOWN OF ELIDA
 Government-Wide Statement of Net Assets
 June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 567,571	\$ 23,028	\$ 590,599
Investments	6,500	0	6,500
Receivables	5,002	11,128	16,130
Total Current Assets	<u>579,073</u>	<u>34,156</u>	<u>613,229</u>
Capital Assets			
Capital Assets	3,318,809	2,049,759	5,368,568
Accumulated Depreciation	(1,559,045)	(735,038)	(2,294,083)
Total Noncurrent Assets	<u>1,759,764</u>	<u>1,314,721</u>	<u>3,074,485</u>
Total Assets	<u>2,338,837</u>	<u>1,348,877</u>	<u>3,687,714</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	3,785	0	3,785
Total Current Liabilities	<u>3,785</u>	<u>0</u>	<u>3,785</u>
Noncurrent Liabilities			
Compensated Absences	6,883	0	6,883
Customer Deposits	0	7,280	7,280
Total Noncurrent Liabilities	<u>6,883</u>	<u>7,280</u>	<u>14,163</u>
Total Liabilities	<u>10,668</u>	<u>7,280</u>	<u>17,948</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,755,979	1,314,721	3,070,700
Unrestricted	572,190	26,876	599,066
Total Net Assets	<u>\$ 2,328,169</u>	<u>\$ 1,341,597</u>	<u>\$ 3,669,766</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, 2011

Functions/Programs	Program Revenues				Net(Expenses) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 126,328	\$ 0	\$ 35,000	\$ 0	\$ (91,328)	\$ 0	\$ (91,328)
Public Safety	257,337	167,286	110,589	0	20,538	0	20,538
Public Works	31,547	3,531	0	485,911	457,895	0	457,895
Culture & Recreation	13,152	0	9,078	50,000	45,926	0	45,926
Interest on Long-Term Obligations	850	0	0	0	(850)	0	(850)
Depreciation (unallocated)	163,222	0	0	0	(163,222)	0	(163,222)
Total Governmental Activities	<u>592,436</u>	<u>170,817</u>	<u>154,667</u>	<u>535,911</u>	<u>268,959</u>	<u>0</u>	<u>268,959</u>
Business-type Activities							
Water	116,720	61,558	0	0	0	(55,162)	(55,162)
Sanitation	29,730	22,045	0	0	0	(7,685)	(7,685)
Total Business-type Activities	<u>146,450</u>	<u>83,603</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(62,847)</u>	<u>(62,847)</u>
Total Primary Government	<u>\$ 738,886</u>	<u>\$ 254,420</u>	<u>\$ 154,667</u>	<u>\$ 535,911</u>	<u>268,959</u>	<u>(62,847)</u>	<u>206,112</u>
General Revenues							
Gross Receipts Taxes					\$ 63,230	\$ 0	\$ 63,230
Gasoline Taxes					14,412	0	14,412
Property Taxes					2,575	0	2,575
Other Taxes					719	0	719
Interest Income					255	0	255
Miscellaneous					126,241	0	126,241
Total General Revenues and Transfers					<u>207,432</u>	<u>0</u>	<u>207,432</u>
Change in Net Assets					<u>476,391</u>	<u>(62,847)</u>	<u>413,544</u>
Other Items							
Gain on Sale of Capital Assets					10,601	0	10,601
Capital Contribution to the Utility Funds					(75,825)	75,825	0
Total Other Items					<u>(65,224)</u>	<u>75,825</u>	<u>10,601</u>
Net Assets - beginning					<u>1,917,002</u>	<u>1,328,619</u>	<u>3,245,621</u>
Net Assets - ending					<u>\$ 2,328,169</u>	<u>\$ 1,341,597</u>	<u>\$ 3,669,766</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, 2011

	<u>General</u>	<u>Special Revenue Fire</u>	<u>Capital Projects</u>
ASSETS			
Cash and Cash Equivalents	\$ 105,638	\$ 72,029	\$ 232,036
Investments	0	0	0
Receivables (Net of Allowance for Uncollectables if Applicable)			
Taxes	5,002	0	0
Total Assets	<u>\$ 110,640</u>	<u>\$ 72,029</u>	<u>\$ 232,036</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 0	\$ 3,785	\$ 0
Total Liabilities	<u>0</u>	<u>3,785</u>	<u>0</u>
Fund Balances			
Restricted, reported in			
Special Revenue Fund	0	68,244	0
Capital Projects	0	0	232,036
Unassigned, reported in:			
General Fund	110,640	0	0
Total Fund Balances	<u>110,640</u>	<u>68,244</u>	<u>232,036</u>
Total Liabilities and Fund Balances	<u>\$ 110,640</u>	<u>\$ 72,029</u>	<u>\$ 232,036</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, 2011

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 157,868	567,571
Investments	6,500	6,500
Receivables (Net of Allowance for Uncollectables if Applicable)		
Taxes	0	5,002
Total Assets	\$ 164,368	\$ 579,073
 LIABILITIES AND FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 0	\$ 3,785
Total Liabilities	0	3,785
Fund Balances		
Restricted, reported in		
Special Revenue Fund	164,368	232,612
Capital Projects	0	232,036
Unassigned, reported in:		
General Fund	0	110,640
Total Fund Balances	164,368	575,288
Total Liabilities and Fund Balances	\$ 164,368	\$ 579,073

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, 2011

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

Total Fund Balance - Governmental Funds		\$	575,288
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	\$	3,318,809
	Accumulated depreciation		<u>(1,559,045)</u>
			1,759,764
Long-term and certain other liabilities 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 :			
	Compensated Absences		<u>(6,883)</u>
Total net assets - governmental activities		\$	<u><u>2,328,169</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, 2011

	General	Special Revenue Fire	Capital Projects
Revenues			
Gross Receipt Taxes	\$ 63,230	\$ 0	\$ 0
Gas Taxes	14,412	0	0
Property Taxes	2,575	0	0
Motor Vehicle	628	0	0
Other Taxes	47	0	0
Charges for Services	2,836	0	0
License, Fees and Fines	133,912	0	0
Federal Grants	0	0	73,290
State & Local Grants	35,000	75,495	462,621
County Subsidy	0	3,350	0
Interest Income	39	0	0
Miscellaneous	31,745	56,170	0
Total Revenues	<u>284,424</u>	<u>135,015</u>	<u>535,911</u>
Expenditures			
Current			
General	122,812	0	0
Public Safety	91,426	79,653	0
Public Works	27,620	0	0
Culture & Recreation	3,511	0	0
Capital Outlay	47,932	0	303,875
Debt Service			
Principal	0	15,639	0
Interest	0	850	0
Total Expenditures	<u>293,301</u>	<u>96,142</u>	<u>303,875</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,877)	38,873	232,036
Fund Balances at Beginning of Year	<u>119,517</u>	<u>29,371</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 110,640</u>	<u>\$ 68,244</u>	<u>\$ 232,036</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, 2011

	Non-Major Governmental Funds	Total Governmental Funds
Revenues		
Gross Receipt Taxes	\$ 0	\$ 63,230
Gas Taxes	0	14,412
Property Taxes	0	2,575
Motor Vehicle	0	628
Other Taxes	44	91
Charges for Services	1,476	4,312
License, Fees and Fines	32,590	166,502
Federal Grants	6,878	80,168
State & Local Grants	30,094	603,210
County Subsidy	3,850	7,200
Interest Income	216	255
Miscellaneous	58,325	146,240
Total Revenues	133,473	1,088,823
Expenditures		
Current		
General	0	122,812
Public Safety	84,619	255,698
Public Works	2,199	29,819
Culture & Recreation	9,641	13,152
Capital Outlay	30,213	382,020
Debt Service		
Principal	0	15,639
Interest	0	850
Total Expenditures	126,672	819,990
Excess (Deficiency) of Revenues Over Expenditures	6,801	268,833
Fund Balances at Beginning of Year	157,567	306,455
Fund Balance End of Year	\$ 164,368	\$ 575,288

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, 2011

Excess (Deficiency) of Revenues Over Expenditures \$ 268,833

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	\$	(163,222)	
Sale of Capital Assets		(19,996)	
Capital Outlays		<u>382,020</u>	198,802

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 15,639

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2011		<u>(6,883)</u>	
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Changes in Net Assets of Governmental Activities \$ 476,391

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes				
Gross Receipts	\$ 51,332	\$ 51,332	\$ 63,176	\$ 11,844
Gasoline Taxes	7,500	7,500	14,942	7,442
Property Taxes	2,909	2,909	2,371	(538)
Motor Vehicle	645	645	616	(29)
Other Taxes	0	0	88	88
Charges for Services	4,000	4,000	2,836	(1,164)
License, Fees and Fines	135,550	135,550	133,912	(1,638)
State Grants	35,000	35,000	35,000	0
Interest Income	145	145	39	(106)
Miscellaneous	19,500	19,500	31,745	12,245
Total Revenues	<u>256,581</u>	<u>256,581</u>	<u>284,725</u>	<u>28,144</u>
Expenditures				
Judicial	43,785	43,785	43,757	28
Financial	83,415	83,415	79,055	4,360
Public Safety	99,377	99,377	91,426	7,951
Highway & Streets	73,772	73,772	73,554	218
Parks & Recreation	8,304	8,304	5,511	2,793
Total Expenditures	<u>264,868</u>	<u>264,868</u>	<u>293,303</u>	<u>15,322</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,287)	(8,287)	(8,578)	43,466
Cash Balance Beginning of Year	<u>114,216</u>	<u>114,216</u>	<u>114,216</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 105,929</u>	<u>\$ 105,929</u>	<u>\$ 105,638</u>	<u>\$ 43,466</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,578)	
Net changes in Taxes Receivable			<u>(299)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,877)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 75,495	\$ 75,495	\$ 75,495	\$ 0
County Subsidy	0	0	3,350	3,350
Fire Suppression	18,350	18,350	53,005	34,655
Other	0	0	3,165	3,165
Total Revenues	<u>93,845</u>	<u>93,845</u>	<u>135,015</u>	<u>41,170</u>
Expenditures				
Public Safety				
Operating Expenses	81,835	81,835	75,868	5,967
Capital Purchases	0	0	0	0
Lease Purchase				
Principal	12,864	12,864	15,639	(2,775)
Interest	0	0	850	(850)
Total Public Safety	<u>94,699</u>	<u>94,699</u>	<u>92,357</u>	<u>2,342</u>
Total Expenditures	<u>94,699</u>	<u>94,699</u>	<u>92,357</u>	<u>2,342</u>
Excess (Deficiency) of Revenues Over Expenditures	(854)	(854)	42,658	43,512
Cash Balance Beginning of Year	<u>29,371</u>	<u>29,371</u>	<u>29,371</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 28,517</u>	<u>\$ 28,517</u>	<u>\$ 72,029</u>	<u>\$ 43,512</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,658	
Net Change in Accounts Payable			(3,785)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 38,873</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, 2011

ASSETS	<u>Utility</u>
Current Assets	
Cash and Cash Equivalents	\$ 23,028
Receivables (net of allowance for uncollectible accounts)	
Accounts	<u>11,128</u>
Total Current Assets	<u>34,156</u>
Noncurrent Assets	
Land	104,994
Buildings & Improvements	1,837,913
Equipment & Vehicles	106,852
Less: Accumulated Depreciation	<u>(735,038)</u>
Total Noncurrent Assets	<u>1,314,721</u>
 Total Assets	 <u>1,348,877</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>0</u>
Total Current Liabilities	<u>0</u>
Noncurrent Liabilities	
Customer Deposits	<u>7,280</u>
Total Noncurrent Liabilities	<u>7,280</u>
 Total Liabilities	 <u>7,280</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,314,721
Unrestricted	26,876
Total Net Assets	<u>\$ 1,341,597</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 Revenue, Expenses and Changes in Net Assets
 For the Year Ended June 30, 2011

	<u>Utility</u>
Operating Revenues	
Sales & Service	\$ 83,603
Total Operating Revenues	<u>83,603</u>
Operating Expenses	
Operating Expense	90,530
Depreciation	55,920
Total Operating Expenses	<u>146,450</u>
Operating Income (Loss)	<u>(62,847)</u>
Nonoperating Revenue (Expenses)	
Capital Contribution	75,825
Total Nonoperating Revenue (Expense)	<u>75,825</u>
Change in Net Assets	12,978
Total Net Assets - Beginning	<u>1,328,619</u>
Total Net Assets - Ending	<u>\$ 1,341,597</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, 2011

	<u>Utility</u>
Cash Flows from Operating Activities	
Cash Received From Customers	\$ 83,093
Cash Paid to Suppliers and Employees	(90,531)
Net Cash Provided by Operating Activities	<u>(7,438)</u>
Net Increase (Decrease) in Cash	(7,438)
Cash, Beginning of the Year	<u>30,466</u>
Cash, End of the Year	<u><u>\$ 23,028</u></u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (62,847)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	55,920
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(661)
Increase (Decrease) in Accounts Payable	0
Increase (Decrease) in Meter Deposits	150
Net Cash Provided by Operating Activities	<u><u>\$ (7,438)</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

All full-time regular employees are entitled to paid vacation time. Part time regular employees are entitled to paid vacation time on a basis prorated to the full-time (40 hour) work week. No unused sick leave is paid upon leaving the Town.

Full-time regular employees accrue vacation time as follows: One or more years of service: 12 days per year (8 hours per month), Five or more years of service: 15 days per year (10 hours per month) and Ten or more years of service: 20 days per year (13.3 hours per month). Annual leave must be requested and approved in advance. The maximum accrual of vacation leave time is not to exceed 30 days (240 hours).

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 06/30/11</u>	<u>Reconciled Balance</u>	<u>Type</u>
General Fund	\$ 598,334	\$ 534,630	Checking
Corrections	19,171	19,171	Saving
General Fund	10,000	10,000	Saving
Cemetery	13,000	13,000	Saving
Fire & Rescue	13,765	13,765	Saving
TOTAL Deposited	<u>654,270</u>	<u>\$ 590,566</u>	
Less: FDIC Coverage	<u>(323,344)</u>		
Uninsured Amount	330,926		
50% collateral requirement	165,463		
Pledged securities	<u>250,403</u>		
Over (Under) requirement	<u>\$ 84,940</u>		

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes to the Financial Statements
June 30, 2011

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

The following securities are pledged:

Description	Type	CUSIP #	Market Value	Maturity Date	Location
FNMA	Bond	3136FPS57	\$ 100,403	8/1/13	TIB, Dallas, TX
Cloudcroft SD	Bond	189134DJ5	150,000	8/1/13	TIB, Dallas, TX
			<u>\$ 250,403</u>		

NMFA

Name of Account	Balance Per Bank 06/30/11	Reconciled Balance	Type
Elida Program	\$ 33	\$ 33	Savings
Less: FDIC Coverage Uninsured Amount	(33)		
	<u>\$ 0</u>		

The funds held at NMFA will be reimbursed in the next fiscal year because the debt associated with the restricted cash had been retired.

Custodial Credit Risk-Deposits

Depository Account	Bank Balance
Insured	\$ 323,344
Collateralized:	
Collateral held by the pledging bank in Town's name	250,403
Uninsured and uncollateralized	80,523
Total Deposits	<u>\$ 654,270</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, 2011 \$80,523 of the Town's bank balance of \$654,270 was exposed to custodial credit risk.

New Mexico State Treasurer

Name of Account	Balance Per Bank 06/30/11	Reconciled Balance	Type
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:

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes to the Financial Statements
June 30, 2011

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. 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, 2011, is as follows:

	Balance 6/30/10	Increases	Decreases	Balance 6/30/11
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 11,707	\$ 2,000	\$ 0	\$ 13,707
Capital Assets, being Depreciated				
Infrastructure	1,360,925	254,197	0	1,615,122
Buildings	382,998	0	0	382,998
Equipment	1,060,270	0	0	1,060,270
Vehicles	226,282	50,000	29,570	246,712
Total Capital Assets, being Depreciated	<u>3,030,475</u>	<u>304,197</u>	<u>29,570</u>	<u>3,305,102</u>
Total Capital Assets	<u>3,042,182</u>	<u>306,197</u>	<u>29,570</u>	<u>3,318,809</u>
Less Accumulated Depreciation				
Infrastructure	429,488	72,702	0	502,190
Buildings	175,448	15,118	0	190,566
Equipment	728,278	49,213	0	777,491
Vehicles	82,780	26,190	20,172	88,798
Total Accumulated Depreciation	<u>1,415,994</u>	<u>163,223</u>	<u>20,172</u>	<u>1,559,045</u>
Capital Assets, net	<u>\$ 1,626,188</u>	<u>\$ 142,974</u>	<u>\$ 9,398</u>	<u>\$ 1,759,764</u>

Depreciation expense was not allocated to governmental activities.

Total depreciation expenses \$ 163,223

STATE OF NEW MEXICO
TOWN OF ELIDA
Notes to the Financial Statements
June 30, 2011

	Balance 6/30/10	Increases	Decreases	Balance 6/30/11
Business-Type Activities				
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	75,826	0	1,837,914
Machinery & Equipment	106,851	0	0	106,851
Total Capital Assets	<u>\$ 1,973,933</u>	<u>\$ 75,826</u>	<u>\$ 0</u>	<u>\$ 2,049,759</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 611,013	\$ 51,150	\$ 0	\$ 662,163
Machinery & Equipment	68,105	4,770	0	72,875
Total Accumulated Depreciation	<u>679,118</u>	<u>55,920</u>	<u>0</u>	<u>735,038</u>
Capital Assets, net	<u>\$ 1,294,815</u>	<u>\$ 19,906</u>	<u>\$ 0</u>	<u>\$ 1,314,721</u>

NOTE E: LONG TERM DEBT

Governmental Funds

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

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Notes Payable	\$ 15,639	\$ 0	\$ 15,639	\$ 0	0
Compensated Absences	0	16,057	9,174	6,883	0
	<u>15,639</u>	<u>16,057</u>	<u>24,813</u>	<u>6,883</u>	<u>0</u>

All activities of bonds and loans payable at June 30, 2011 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.

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, 2011, were as follows:

	General	Utilities	Total
Accounts	\$ 0	\$ 11,128	\$ 11,128
Property Taxes	209	0	209
Gross Receipts Taxes	3,693	0	3,693
Motor Vehicle Taxes	57	0	57
Gasoline Tax	1,043	0	1,043
	<u>\$ 5,002</u>	<u>\$ 11,128</u>	<u>\$ 16,130</u>

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

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 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, 2011, 2010 and 2009 were \$26,287, \$15,728, and \$24,614, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE I: 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.

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, 2011, 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:

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>
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, 2011, 2010 and 2009 were \$3,268, \$3,190, and \$2,244, respectively, which equal the required contributions for each year.

NOTE J: 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 K: 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.

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 174,677	\$ 174,677	\$ 73,290	\$ (101,387)
State & Local Grants	435,569	435,569	462,621	27,052
Total Revenues	<u>610,246</u>	<u>610,246</u>	<u>535,911</u>	<u>(74,335)</u>
Expenditures				
Public Works				
Capital Purchases	610,246	610,246	303,875	306,371
Total Public Works	<u>610,246</u>	<u>610,246</u>	<u>303,875</u>	<u>306,371</u>
Total Expenditures	<u>610,246</u>	<u>610,246</u>	<u>303,875</u>	<u>306,371</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	232,036	232,036
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>\$ 232,036</u>	<u>\$ 232,036</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 232,036	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 232,036</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, 2011

	<u>EMS</u>	<u>Law Enforcement Protection</u>	<u>Dept of Justice Asset Forfeiture</u>
ASSETS			
Cash and Cash Equivalents	\$ 42,863	\$ 14,700	\$ 1,092
Investments	0	0	0
Total Assets	<u>\$ 42,863</u>	<u>\$ 14,700</u>	<u>\$ 1,092</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue	<u>42,863</u>	<u>14,700</u>	<u>1,092</u>
Total Fund Balance	<u>42,863</u>	<u>14,700</u>	<u>1,092</u>
Total Liabilities and Fund Balance	<u>\$ 42,863</u>	<u>\$ 14,700</u>	<u>\$ 1,092</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, 2011

	<u>Corrections</u>	<u>Cemetery</u>	<u>Environmental</u>
ASSETS			
Cash and Cash Equivalents	\$ 19,871	\$ 15,882	\$ 59,787
Investments	6,500	0	0
Total Assets	<u>\$ 26,371</u>	<u>\$ 15,882</u>	<u>\$ 59,787</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue	<u>26,371</u>	<u>15,882</u>	<u>59,787</u>
Total Fund Balance	<u>26,371</u>	<u>15,882</u>	<u>59,787</u>
 Total Liabilities and Fund Balance	 <u>\$ 26,371</u>	 <u>\$ 15,882</u>	 <u>\$ 59,787</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, 2011

	<u>Recreation</u>	<u>Library</u>	<u>Senior Citizens</u>
ASSETS			
Cash and Cash Equivalents	\$ 856	\$ 2,817	\$ 0
Investments	0	0	0
Total Assets	<u>\$ 856</u>	<u>\$ 2,817</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Restricted, reported in			
Special Revenue	<u>856</u>	<u>2,817</u>	<u>0</u>
Total Fund Balance	<u>856</u>	<u>2,817</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 856</u>	<u>\$ 2,817</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, 2011

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 157,868
Investments	6,500
Total Assets	<u>\$ 157,868</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 0
Total Liabilities	<u>0</u>
Fund Balance	
Restricted, reported in	
Special Revenue	164,368
Total Fund Balance	<u>164,368</u>
Total Liabilities and Fund Balance	<u>\$ 164,368</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, 2011

	<u>EMS</u>	<u>Law Enforcement Protection</u>	<u>Dept of Justice Asset Forfeiture</u>
Revenues			
Other Taxes	\$ 0	\$ 0	\$ 0
Charge for Services	781	0	0
Fees & Fines	0	0	0
Federal Grant	0	0	0
State Grants	7,194	21,200	0
County Subsidy	3,350	0	0
Interest Income	0	0	0
Miscellaneous	8,250	0	0
Total Revenues	<u>19,575</u>	<u>21,200</u>	<u>0</u>
Expenditures			
Current			
Public Safety	27,526	6,500	593
Public Works	0	0	0
Culture & Recreation	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>27,526</u>	<u>6,500</u>	<u>593</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,951)	14,700	(593)
Fund Balances at Beginning of Year	<u>50,814</u>	<u>0</u>	<u>1,685</u>
Fund Balance End of Year	<u>\$ 42,863</u>	<u>\$ 14,700</u>	<u>\$ 1,092</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, 2011

	<u>Corrections</u>	<u>Cemetery</u>	<u>Environmental</u>
Revenues			
Other Taxes	\$ 0	\$ 0	\$ 0
Charge for Services	0	695	0
Fees & Fines	32,590	0	0
Federal Grant	0	0	0
State Grants	0	0	0
County Subsidy	0	0	0
Interest Income	137	50	0
Miscellaneous	0	0	50,000
Total Revenues	<u>32,727</u>	<u>745</u>	<u>50,000</u>
Expenditures			
Current			
Public Safety	50,000	0	0
Public Works	0	2,199	0
Culture & Recreation	0	0	0
Capital Outlay	0	0	30,213
Total Expenditures	<u>50,000</u>	<u>2,199</u>	<u>30,213</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,273)	(1,454)	19,787
Fund Balances at Beginning of Year	<u>43,644</u>	<u>17,336</u>	<u>40,000</u>
Fund Balance End of Year	<u>\$ 26,371</u>	<u>\$ 15,882</u>	<u>\$ 59,787</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, 2011

	<u>Recreation</u>	<u>Library</u>	<u>Senior Citizens</u>
Revenues			
Other Taxes	\$ 44	\$ 0	\$ 0
Charge for Services	0	0	0
Fees & Fines	0	0	0
Federal Grant	0	0	6,878
State Grants	0	0	1,700
County Subsidy	0	500	0
Interest Income	0	16	13
Miscellaneous	75	0	0
Total Revenues	<u>119</u>	<u>516</u>	<u>8,591</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	800	250	8,591
Capital Outlay	0	0	0
Total Expenditures	<u>800</u>	<u>250</u>	<u>8,591</u>
Excess (Deficiency) of Revenues Over Expenditures	(681)	266	0
Fund Balances at Beginning of Year	<u>1,537</u>	<u>2,551</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 856</u>	<u>\$ 2,817</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, 2011

	<u>Total</u>
Revenues	
Other Taxes	\$ 44
Charge for Services	1,476
Fees & Fines	32,590
Federal Grant	6,878
State Grants	30,094
County Subsidy	3,850
Interest Income	216
Miscellaneous	<u>58,325</u>
Total Revenues	<u>133,473</u>
Expenditures	
Current	
Public Safety	84,619
Public Works	2,199
Culture & Recreation	9,641
Capital Outlay	<u>30,213</u>
Total Expenditures	<u>126,672</u>
Excess (Deficiency) of Revenues Over Expenditures	6,801
Fund Balances at Beginning of Year	<u>157,567</u>
Fund Balance End of Year	<u>\$ 164,368</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
County Subsidy	\$ 0	\$ 0	\$ 3,350	\$ 3,350
Charge for Services	4,000	4,000	782	(3,218)
State & Local Grants	7,211	7,211	7,194	(17)
Miscellaneous	3,350	3,350	8,250	4,900
Total Revenues	<u>14,561</u>	<u>14,561</u>	<u>19,576</u>	<u>5,015</u>
Expenditures				
Public Safety				
Operating Expenses	<u>38,561</u>	<u>38,561</u>	<u>27,527</u>	<u>11,034</u>
Total Public Safety	<u>38,561</u>	<u>38,561</u>	<u>27,527</u>	<u>11,034</u>
Total Expenditures	<u>38,561</u>	<u>38,561</u>	<u>27,527</u>	<u>11,034</u>
Excess (Deficiency) of Revenues Over Expenditures	(24,000)	(24,000)	(7,951)	16,049
Cash Balance Beginning of Year	<u>50,814</u>	<u>50,814</u>	<u>50,814</u>	<u>0</u>
Cash Balance End of Year	\$ <u>26,814</u>	\$ <u>26,814</u>	\$ <u>42,863</u>	\$ <u>16,049</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(7,951)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(7,951)</u>	

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 21,200	\$ 21,200	\$ 21,200	\$ 0
Total Revenues	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	21,200	21,200	6,500	14,700
Total Public Safety	<u>21,200</u>	<u>21,200</u>	<u>6,500</u>	<u>14,700</u>
Total Expenditures	<u>21,200</u>	<u>21,200</u>	<u>6,500</u>	<u>14,700</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	14,700	14,700
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>\$ 14,700</u>	<u>\$ 14,700</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, 2011

	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	0	0	593	(593)
Capital Outlay	<u>1,684</u>	<u>1,684</u>	<u>0</u>	<u>1,684</u>
Total Public Safety	<u>1,684</u>	<u>1,684</u>	<u>593</u>	<u>1,091</u>
Total Expenditures	<u>1,684</u>	<u>1,684</u>	<u>593</u>	<u>1,091</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,684)	(1,684)	(593)	1,091
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>1</u>	\$ <u>1</u>	\$ <u>1,092</u>	\$ <u>1,091</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(593)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(593)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 30,000	\$ 30,000	\$ 32,590	\$ 2,590
Interest Income	85	85	137	52
Total Revenues	<u>30,085</u>	<u>30,085</u>	<u>32,727</u>	<u>2,642</u>
Expenditures				
Public Safety				
Other	50,000	50,000	50,000	0
Total Public Safety	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,915)	(19,915)	(17,273)	2,642
Cash Balance Beginning of Year	<u>43,644</u>	<u>43,644</u>	<u>43,644</u>	<u>0</u>
Cash Balance End of Year	\$ <u>23,729</u>	\$ <u>23,729</u>	\$ <u>26,371</u>	\$ <u>2,642</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(17,273)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(17,273)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Charge for Services	\$ 775	\$ 775	\$ 695	\$ (80)
Interest Income	160	160	50	(110)
Total Revenues	<u>935</u>	<u>935</u>	<u>745</u>	<u>(190)</u>
Expenditures				
Public Works				
Operating Expenses	2,199	2,199	2,199	0
Total Public Works	<u>2,199</u>	<u>2,199</u>	<u>2,199</u>	<u>0</u>
Total Expenditures	<u>2,199</u>	<u>2,199</u>	<u>2,199</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,264)	(1,264)	(1,454)	(190)
Cash Balance Beginning of Year	<u>17,336</u>	<u>17,336</u>	<u>17,336</u>	<u>0</u>
Cash Balance End of Year	\$ <u>16,072</u>	\$ <u>16,072</u>	\$ <u>15,882</u>	\$ <u>(190)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(1,454)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,454)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Expenditures				
Public Works				
Operating Expenses	90,000	90,000	30,213	59,787
Total Public Works	<u>90,000</u>	<u>90,000</u>	<u>30,213</u>	<u>59,787</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>30,213</u>	<u>59,787</u>
Excess (Deficiency) of Revenues Over Expenditures	(40,000)	(40,000)	19,787	59,787
Cash Balance Beginning of Year	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>59,787</u>	\$ <u>59,787</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>19,787</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>19,787</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Cigarette Taxes	\$ 0	\$ 0	\$ 44	\$ 44
Miscellaneous	0	0	75	75
Total Revenues	<u>0</u>	<u>0</u>	<u>119</u>	<u>119</u>
Expenditures				
Culture & Recreation				
Operating Expense	1,500	1,500	800	700
Total Culture & Recreation	<u>1,500</u>	<u>1,500</u>	<u>800</u>	<u>700</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>800</u>	<u>700</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,500)	(1,500)	(681)	819
Cash Balance Beginning of Year	<u>1,537</u>	<u>1,537</u>	<u>1,537</u>	<u>0</u>
Cash Balance End of Year	\$ <u>37</u>	\$ <u>37</u>	\$ <u>856</u>	\$ <u>819</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(681)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(681)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
County Subsidy	\$ 500	\$ 500	\$ 500	\$ 0
Donations	0	0	16	16
Total Revenues	<u>500</u>	<u>500</u>	<u>516</u>	<u>16</u>
Expenditures				
Culture & Recreation				
Operating Expense	650	650	250	400
Total Culture & Recreation	<u>650</u>	<u>650</u>	<u>250</u>	<u>400</u>
Total Expenditures	<u>650</u>	<u>650</u>	<u>250</u>	<u>400</u>
Excess (Deficiency) of Revenues Over Expenditures	(150)	(150)	266	416
Cash Balance Beginning of Year	<u>2,551</u>	<u>2,551</u>	<u>2,551</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,401</u>	\$ <u>2,401</u>	\$ <u>2,817</u>	\$ <u>416</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>266</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>266</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 6,878	\$ 6,878	\$ 6,878	\$ 0
Federal Grants	1,700	1,700	1,700	0
Miscellaneous	0	13	13	0
Total Revenues	<u>8,578</u>	<u>8,591</u>	<u>8,591</u>	<u>0</u>
Expenditures				
Culture & Recreation				
Operating Expenses	<u>8,578</u>	<u>8,591</u>	<u>8,591</u>	<u>0</u>
Total Culture & Recreation	<u>8,578</u>	<u>8,591</u>	<u>8,591</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
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>\$ 0</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.

ENTERPRISE FUNDS

Utility

To account for the provision of water 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 76,892	\$ 76,892	\$ 83,093	\$ 6,201
Total Revenues	<u>76,892</u>	<u>76,892</u>	<u>83,093</u>	<u>6,201</u>
Expenditures				
Water	78,856	78,856	60,800	18,056
Sanitation	29,750	29,750	29,731	19
Total Expenditures	<u>108,606</u>	<u>108,606</u>	<u>90,531</u>	<u>18,075</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,714)	(31,714)	(7,438)	24,276
Cash Balance Beginning of Year	<u>30,466</u>	<u>30,466</u>	<u>30,466</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (1,248)</u></u>	<u><u>\$ (1,248)</u></u>	<u><u>\$ 23,028</u></u>	<u><u>\$ 24,276</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,438)	
Depreciation			(55,920)	
Net Changes in Accounts Receivable			661	
Net Changes in Meter Deposits			<u>(150)</u>	
Operating Income (Loss)			<u><u>\$ (62,847)</u></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 fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Town of Elida (Town), as of and for the year ended June 30, 2011, and have issued our report thereon dated November 1, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting; 11-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is describe in the accompanying schedule of findings and responses as item 11-1.

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Town's response and accordingly, we express no opinion on it.

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 1, 2011

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

11-1 Gift Card Purchases-Internal Control & Compliance-Significant Deficiency

Condition

The Ambulance fund gave gift cards to the volunteers for Christmas gifts in appreciation for their service and sacrifice.

Criteria

Anti-donation Clause (NM Constitution Article IX, Section 14)" Neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise.

Cause

The council was not aware gift cards were a violation of the Anti-donation Clause.

Effect

It is a violation of Anti-donation clause.

Recommendation

Gift cards not any other type of gift can not be given to volunteers or anyone.

Response

We will discontinue giving gifts.

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 1, 2011. In attendance were Durward Dixon-Mayor, Sandra Monks-Town Clerk and De'Aun Willoughby, CPA.