

STATE OF NEW MEXICO
TOWN OF MESILLA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009 and 2008

Prepared by
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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
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OFFICIAL ROSTER

Elected Officials

Michael M. Cadena	Mayor
Jesus M. Caro, Jr.	Trustee
Nora L. Barraza	Mayor Pro-Tem
Carlos Arzabal	Trustee
Sam Bernal	Trustee

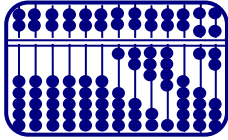
Department Heads

Juan A. Fuentes	Town Clerk-Treasurer
Kristie Medina	Recreation/Program Coordinator
Debbie Lujan	Public Works Director
Heriberto Flores (Acting)	Marshal
Kevin Hoban	Fire Chief
Nick Eckert	Community Development Director

Municipal Court

Lionel Fritze	Municipal Judge
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FINANCIAL SECTION



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

Independent Auditors Report

Hector H. Balderas
New Mexico State Auditor
Mayor and Board of Trustees
Town of Mesilla
Mesilla, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the general fund and major special revenue fund budgetary comparisons, and the aggregate remaining fund information of Town of Mesilla, New Mexico, as of and for the years-ended June 30, 2009 and 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Town's non-major governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the years-ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Town of Mesilla, New Mexico'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 with 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 of the United States of America used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Mesilla, New Mexico, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, USAO HIDTA Fund, and Town Hall Project 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 non-major governmental fund of Town of Mesilla, New Mexico, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the non-major governmental funds and the enterprise funds for the years ended in conformity with accounting principles generally accepted in the United States of America.

The *Management's Discussion and Analysis* on pages vii through xvii is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2009 on our consideration of Town of Mesilla, New Mexico'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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons of the Town of Mesilla, New Mexico. The accompanying information listed as Supporting Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis. Also, the accompanying Schedule of Changes in Assets and Liabilities-Agency Funds, as required by SAO Rule 2.2.2.10.AA, is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.



Marcus, Fairall, Bristol + Co., L.L.P.
El Paso, Texas

November 19, 2009

**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

As management of the Town of Mesilla, we offer readers of Town of Mesilla financial statements this narrative overview and analysis of the financial activities of the Town of Mesilla for the fiscal year-ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the financial statements of the Town of Mesilla and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Mesilla exceeded its liabilities at the close of the most recent fiscal year by \$6,981,958 (net assets). Of this amount, \$739,202 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$421,874 during the fiscal year. This decrease is primarily due to a 94% decrease in state grant funds received during the year-ended June 30, 2009.
- At the close of the current fiscal year, unreserved fund balance of the general fund was \$226,252.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Mesilla's basic financial statements. Town of Mesilla's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Town of Mesilla's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Town of Mesilla's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Town of Mesilla is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenue and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Town of Mesilla that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Town of Mesilla include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include joint utility services.

The government-wide financial statements can be found at Exhibits A-1 through A-4 of this report.

STATE OF NEW MEXICO
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June 30, 2009

Management's Discussion and Analysis

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Town of Mesilla, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Town of Mesilla can be divided into two categories: governmental funds and proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Town of Mesilla maintains twenty-one individual governmental funds organized according to their type (special revenue and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, USAO HIDTA Fund, and the Town Hall Project Fund of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Town of Mesilla adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, USAO HIDTA Fund, and Town Hall Project Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 through C-3 of this report.

Proprietary Funds. Proprietary funds are generally used to account for business-type services for which the Town charges customers – either outside customers or internal units or departments of the Town. These funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains one business-type activity. The proprietary fund financial statements can be found at Exhibits D-1 through D-3

Fiduciary Funds. Fiduciary funds are used to account for resources held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Town of Mesilla's own operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found at Exhibit E of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24–43 of this report.

**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

Combining Statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 47-87 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Town of Mesilla, net assets exceeded liabilities by \$6,981,958 at the close of the current fiscal year. (See analysis on page xi.)

The largest portion of Town of Mesilla's net assets represents the Town's investment of \$6,242,756 in capital assets (e.g., land improvements, buildings, infrastructure and machinery and equipment), less any related outstanding debt used to acquire those assets. Town of Mesilla uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Town of Mesilla's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

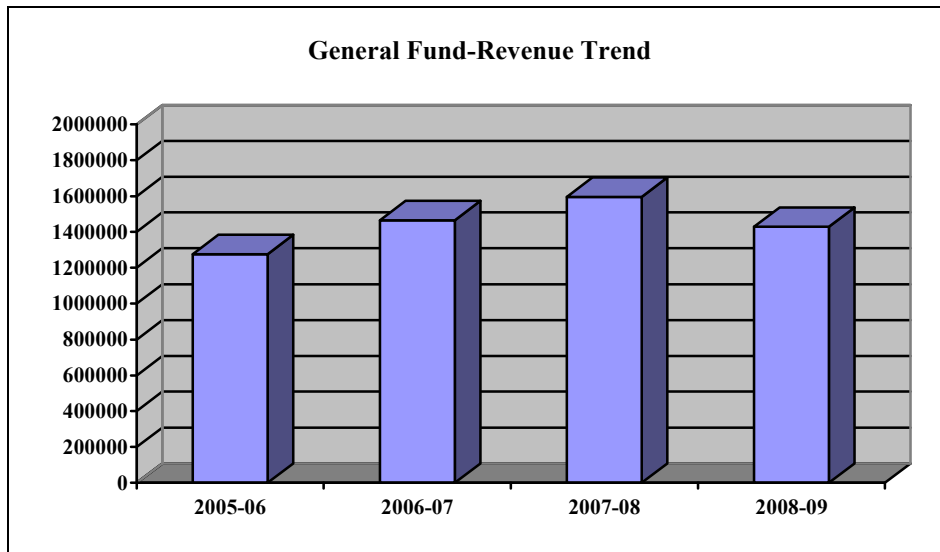
The remaining balance of *unrestricted net assets* \$739,202 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Town of Mesilla is able to report positive balances in all categories of net assets, for the government as a whole as well as for the business-type activities.

Analysis of Changes in Net Assets

The Town's net assets, overall, decreased by \$421,874 during the current fiscal year. These decreases are explained in the government activities discussion below, and are primarily the result of a decrease in grant funds during the fiscal year. (See analysis page xii.)

Governmental Activities. The principal operating fund of the Town is the General Fund. Revenues are derived primarily from gross receipts taxes, property tax, franchise tax, intergovernmental/grants, licenses and permits, sales and services and a variety of other sources. Total General Fund revenues decreased \$168,464 over the prior fiscal year of 2007-2008, which represents an 11% decrease. A key cause of the decrease includes a decrease in tax collected from the state. The revenues were \$145,238 under the budgeted revenue of \$1,572,544.



**STATE OF NEW MEXICO
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June 30, 2009**

**Management's Discussion and Analysis
Summary of Net Assets**

	Governmental-Type Activities		Business-Type Activities		Totals		Total Percent Change
	2009	2008	2009	2008	2009	2008	2009 - 2008
ASSETS							
Current and other assets	\$ 777,480	\$ 833,402	\$ 276,243	\$ 352,963	\$ 1,053,723	\$ 1,186,365	-11.18%
Capital assets, net of accumulated depreciation	5,481,871	5,588,162	1,532,538	1,584,352	7,014,409	7,172,514	-2.20%
Total assets	<u>\$ 6,259,351</u>	<u>\$ 6,421,564</u>	<u>\$ 1,808,781</u>	<u>\$ 1,937,315</u>	<u>\$ 8,068,132</u>	<u>\$ 8,358,879</u>	-3.48%
LIABILITIES							
Current and other liabilities	\$ 177,825	\$ 102,107	\$ 139,301	\$ 119,341	\$ 317,126	\$ 221,448	43.21%
Long-term liabilities	702,890	733,599	66,158	-	769,048	733,599	4.83%
Total liabilities	880,715	835,706	205,459	119,341	1,086,174	955,047	13.73%
NET ASSETS							
Invested in capital assets, net of related debt	4,774,581	4,853,875	1,468,175	1,584,352	6,242,756	6,438,227	-3.04%
Unrestricted	604,055	731,983	135,147	233,622	739,202	965,605	-23.45%
Total net assets	<u>5,378,636</u>	<u>5,585,858</u>	<u>1,603,322</u>	<u>1,817,974</u>	<u>6,981,958</u>	<u>7,403,832</u>	-5.70%
Total liabilities and net assets	<u>\$ 6,259,351</u>	<u>\$ 6,421,564</u>	<u>\$ 1,808,781</u>	<u>\$ 1,937,315</u>	<u>\$ 8,068,132</u>	<u>\$ 8,358,879</u>	-3.48%

**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

**Management's Discussion and Analysis
Changes in Net Assets**

	Governmental-Type Activities		Business-Type Activities		Totals		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008-2009
Revenues							
Program revenues:							
Charges for services	\$ 195,762	\$ 277,216	\$ 547,219	\$ 520,049	\$ 742,981	\$ 797,265	-6.81%
Operating grants and contributions	1,183,013	1,081,190	19,021	35,054	1,202,034	1,116,244	7.69%
Capital grants and contributions	267,261	1,282,184	-	-	267,261	1,282,184	-79.16%
General revenues:							
Taxes	1,022,807	1,222,726	-	-	1,022,807	1,222,726	-16.35%
Small cities assistance	217,198	129,277	-	-	217,198	129,277	68.01%
Other income	28,799	57,557	14,560	30,898	43,359	88,455	-50.98%
Total revenues	<u>2,914,840</u>	<u>4,050,150</u>	<u>580,800</u>	<u>586,001</u>	<u>3,495,640</u>	<u>4,636,151</u>	-24.60%
Expenses							
General government	932,210	1,193,694	-	-	932,210	1,193,694	-21.91%
Public safety	1,869,426	1,927,671	-	-	1,869,426	1,927,671	-3.02%
Public works	78,636	468,233	-	-	78,636	468,233	-83.21%
Health and welfare	9,229	6,524	-	-	9,229	6,524	
Culture and recreation	232,561	227,336	-	-	232,561	227,336	2.30%
Proprietary expenses	-	-	795,452	770,558	795,452	770,558	3.23%
Total expenses	<u>3,122,062</u>	<u>3,823,458</u>	<u>795,452</u>	<u>770,558</u>	<u>3,917,514</u>	<u>4,594,016</u>	-14.73%
Change in net assets before transfers	(207,222)	226,692	(214,652)	(184,557)	(421,874)	42,135	-1101.24%
Transfers	-	132,627	-	(14,000)	-	118,627	
Change in net assets	<u>(207,222)</u>	<u>359,319</u>	<u>(214,652)</u>	<u>(198,557)</u>	<u>(421,874)</u>	<u>160,762</u>	-362.42%
Net assets - beginning	<u>5,585,858</u>	<u>5,226,539</u>	<u>1,817,974</u>	<u>2,016,531</u>	<u>7,403,832</u>	<u>7,243,070</u>	2.22%
Net assets - ending	<u>\$ 5,378,636</u>	<u>\$ 5,585,858</u>	<u>\$ 1,603,322</u>	<u>\$ 1,817,974</u>	<u>\$ 6,981,958</u>	<u>\$ 7,403,832</u>	-5.70%

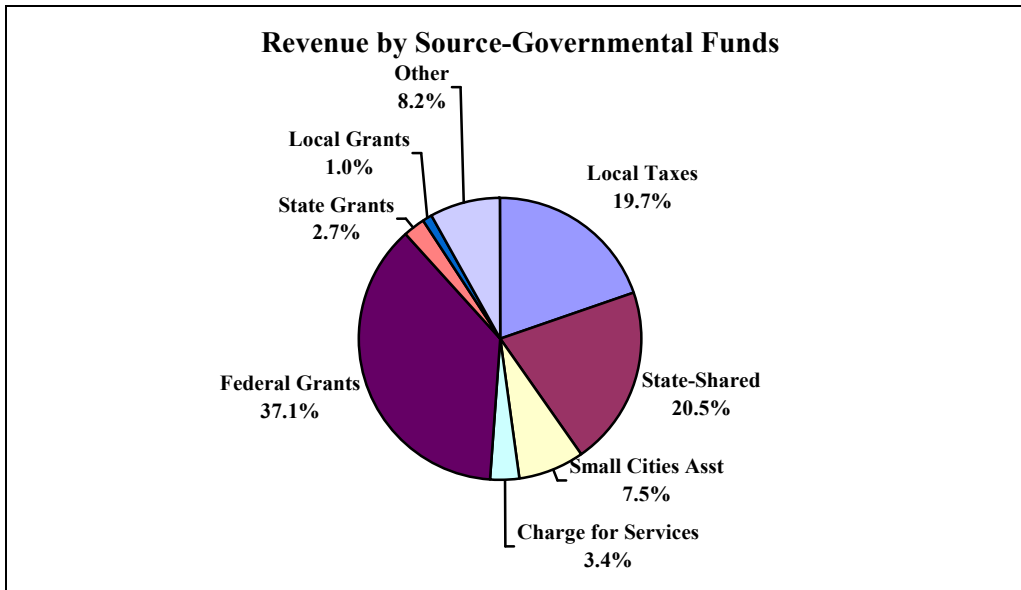
**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

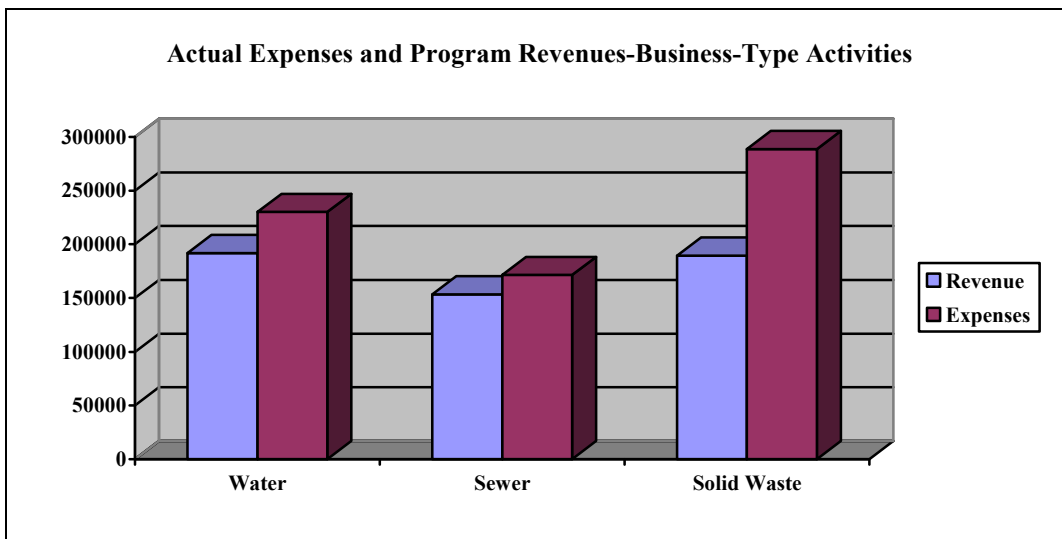
Governmental Activities (continued)

Program revenues for governmental activities include charges for services as well as operating and capital grants and contributions. The program revenues decreased 37.7% over the prior year. The largest decrease was from capital grants and contributions.

General revenues, consisting mostly of taxes, are not directly associated with any government function. The chart provided on pages x shows a comparison of the prior three years. Total revenues, includes both general and program revenue, from governmental activities are summarized below. For fiscal year 2008-2009, Local and State Taxes made up 40.2% of the total government funds revenues compared to 30.2% of the prior year's revenues.



Business-Type Activities. Total revenues recorded in the business-type activities increased by .9% above the prior year. The most significant influence on this was an increase in charge for service. There was a decrease in the ending cash balance due to an increase in expenditures. The following chart demonstrates the comparison of actual expenses and program revenues for business-type activities.



**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

Business-Type Activities (continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, Town of Mesilla uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Town of Mesilla's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Town of Mesilla's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Town include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the current fiscal year, Town of Mesilla's governmental funds reported combined ending fund balances of \$657,728 a decrease of \$124,857 in comparison with the prior year. The decrease is primarily due to a decrease of \$1,135,310 in government fund revenues. The ending fund balances consist of an *unreserved fund balance* in the amount of \$226,252 which is available for spending at the government's discretion.

Revenues for governmental functions overall totaled \$2,914,840 at the fiscal year-ended June 30, 2009, which represents a decrease of \$1,135,310 from the fiscal year-ended June 30, 2008. Expenditures for governmental functions totaled \$2,982,852. This was a decrease of approximately \$1,627,892 from the fiscal year-ended June 30, 2008. In the fiscal year-ended June 30, 2009, expenses for governmental functions exceeded revenues by approximately \$124,857 before inter-fund transfers.

The General Fund is the chief operating fund of Town of Mesilla. At the end of the current fiscal year, *unreserved* fund balance of the General Fund was \$226,252.

The fund balance of Town of Mesilla's General Fund decreased \$143,473 during the current fiscal year, due to a decrease in taxes received. Before inter-fund transfers expenditures exceeded revenues by \$147,734.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for business-type activities were \$135,147. The total decrease in net assets for the proprietary funds was \$214,652. Factors concerning the finances of this fund have been addressed previously in the discussion of the Town's proprietary fund activities.

Fiduciary Funds. The Town maintains fiduciary funds for the assets of various agency funds. The Town was permitted by the State of New Mexico to use the funds in the Revolving Loan Fund for the renovation of the Town Hall. The Revolving Loan Fund was created with state funds.

Budgetary Highlights. Town budgets reflect the same pattern as seen in the revenue and expenditures of the Town. The State of New Mexico budget process is defined under State law and regulation. To enhance the process of developing a budget at the Town level, the Town of Mesilla utilizes goals and objectives defined by the Board of Trustees, community input meetings, long-term plans and input from various staff groups to develop the Town budget. Town priorities are well defined through this process.

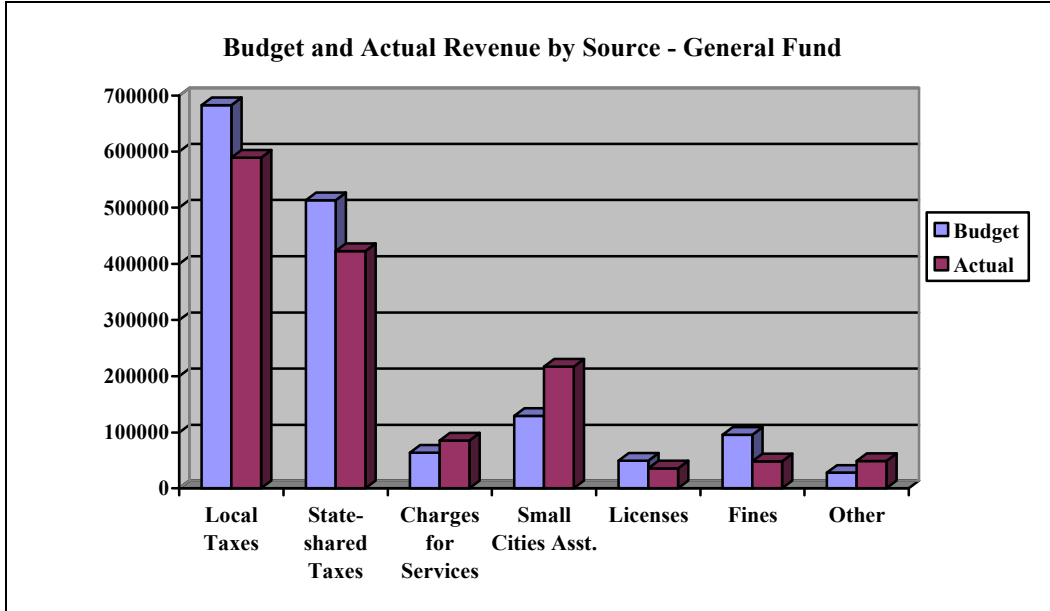
General Fund Budgetary Highlights. The General Fund accounts for all of the general services provided by the Town of Mesilla. At the end of 2009, the cash balance of the General Fund had increased by \$10,275. The following chart demonstrates a summary of the major revenue sources received compared to the approved budget for the General Fund.

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TOWN OF MESILLA
June 30, 2009**

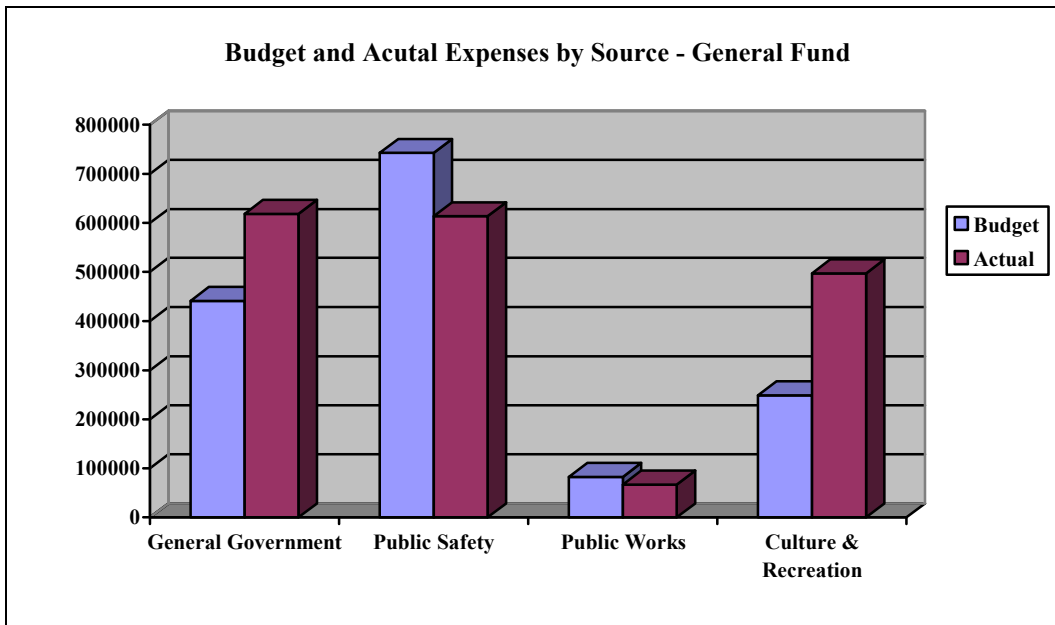
Management's Discussion and Analysis

Financial Analysis of the Town's Funds (continued)

General Fund Budgetary Highlights (continued)



General government expenditures include all administrative functions of the Town which include: Board of Trustees, General Government, Public Safety, Public Works, and Culture and Recreation. The following chart shows a summary of functional categories for expenditures:



**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

Budgetary Highlights (continued)

General Fund Budgetary Highlights (continued).

Overall, actual expenditures were under the approved budget by \$160,103.

Capital Asset and Debt Administration

Capital Assets. Town of Mesilla's capital assets for its governmental and business-type activities as of June 30, 2009 amount to \$7,014,409 (net of accumulated depreciation). Capital assets include land improvements, buildings, machinery, equipment and infrastructure. The total increase in the Town's capital assets (excluding accumulated depreciation) for the current fiscal year was \$84,656 for governmental activities. The total increase in business-type capital assets (excluding accumulated depreciation) for the current fiscal year was \$75,950.

**Capital Assets, Net of Depreciation
June 30, 2009**

	Government Activities	Business-Type Activities	Totals
Land and Construction in Process	\$1,058,724	\$ -	\$ 1,058,724
Buildings	190,620	-	190,620
Utility Systems and Facilities Improvements	-	1,411,651	1,411,651
Machinery and Equipment	3,916,051	-	3,916,051
Capital Assets, Net of Accumulated Depreciation	<u>\$5,481,871</u>	<u>\$ 1,532,538</u>	<u>\$ 7,014,409</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

The Statement of Net Assets shows the Investment in Capital Assets in the amount of \$6,242,756. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service. The only deletions consisted of the disposal of machinery and equipment, costing \$40,870, which had accumulated depreciation of \$40,870.

The Town's outstanding loans increased \$25,797 through incurring new debts. Additional information on the Town's debt can be found in Note 7.

The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

**STATE OF NEW MEXICO
TOWN OF MESILLA
June 30, 2009**

Management's Discussion and Analysis

Capital Asset and Debt Administration (continued)

	Government Activities	Business- Type Activities	Balance as of 6/30/2009
Net Value of Capital Assets	\$ 5,481,871	\$ 1,532,538	\$ 7,014,409
Long-Term Debt Principal Balance:			
Fire Brush Truck Loan	39,886	-	39,886
Town Hall Project Loan	662,465	-	662,465
Xerox Capital Lease	4,939	-	4,939
Asphalt Zipper Lease	-	42,838	42,838
Asphalt Zipper Lease Premium	-	21,525	21,525
Total Debt Principal	707,290	64,363	771,653
Total Investment in Capital Assets			
Net of Related Debt	\$ 4,774,581	\$ 1,468,175	\$ 6,242,756

CONTINGENCIES

Following a hail storm, the Town was declared a disaster area by the Governor of New Mexico and the U. S. Department of Homeland Security, Federal Emergency Management Administration (FEMA). Recovery costs have been estimated by the New Mexico Department of Public Safety, Office of Emergency Management, at \$73,272. FEMA has agreed to pay for \$ (75%) of the estimated costs. The Office of Emergency Management has estimated the State's share at 18%. As of June 30, 2009, the final cost to the State has not been determined. After the State's share is determined, the Town will be responsible for the balance of the recovery costs. The Town's liability insurance did not contribute toward the recovery costs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Town of Mesilla's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Mesilla Administration; PO Box 10; Mesilla, New Mexico 88046.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
TOWN OF MESILLA
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and cash equivalents	\$ 341,735	\$ 108,012	\$ 449,747
Investments	241,892	106,248	348,140
Receivables			
Accounts	-	61,983	61,983
Taxes	74,753	-	74,753
Reserve funds receivable	46,212	-	46,212
Intergovernmental	72,888	-	72,888
Capital assets:			
Land and work in process	1,058,724	-	1,058,724
Other capital assets, net of depreciation	4,423,147	1,532,538	5,955,685
Total assets	6,259,351	1,808,781	8,068,132
Liabilities			
Accounts payable	75,313	14,107	89,420
Accrued salaries	44,030	84,764	128,794
Customer deposits	-	25,633	25,633
Due to other governments	409	-	409
Long-term liabilities			
Compensated absences due in one year	26,837	6,636	33,473
Notes payable due in one year	31,236	8,161	39,397
Compensated absences due in more than one year	26,836	-	26,836
Notes payable due in more than one year	676,054	44,633	720,687
Capital lease premium	-	21,525	21,525
Total liabilities	880,715	205,459	1,086,174
Net Assets			
Investment in capital assets, net of related debt	4,774,581	1,468,175	6,242,756
Unrestricted	604,055	135,147	739,202
Total net assets	\$ 5,378,636	\$1,603,322	\$ 6,981,958

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and cash equivalents	\$ 209,354	\$ 140,319	\$ 349,673
Investments	378,995	139,463	518,458
Receivables			
Accounts	212	71,267	71,479
Taxes	88,978	1,914	90,892
Reserve funds receivable	44,693	-	44,693
Intergovernmental	111,170	-	111,170
Capital assets:			-
Land and work in process	999,500	-	999,500
Other capital assets, net of depreciation	4,588,662	1,584,352	6,173,014
Total assets	6,421,564	1,937,315	8,358,879
Liabilities			
Accounts payable	50,699	33,120	83,819
Accrued salaries	118	53,612	53,730
Customer deposits	-	26,886	26,886
Long-term liabilities			
Compensated absences due in one year	25,301	5,723	31,024
Notes payable due in one year	25,989	-	25,989
Compensated absences due in more than one year	25,301	-	25,301
Notes payable due in more than one year	708,298	-	708,298
Total liabilities	835,706	119,341	955,047
Net Assets			
Investment in capital assets, net of related debt	4,853,875	1,584,352	6,438,227
Unrestricted	731,983	233,622	965,605
Total net assets	\$ 5,585,858	\$1,817,974	\$ 7,403,832

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Statement of Activities
 June 30, 2009

Functions/programs	Program Revenues			Net (Expense) Revenue and Changes In Net Assets			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Government Activities	Business Type Activities	
Primary government							
Governmental Activities							
General government	\$ 932,210	\$ 113,064	\$ -	\$ 190,816	\$ (628,330)	\$ -	\$ (628,330)
Public safety	1,869,426	66,623	1,183,013	29,669	(590,121)	-	(590,121)
Public works	78,636	-	-	46,776	(31,860)	-	(31,860)
Health and welfare	9,229	-	-	-	(9,229)	-	(9,229)
Culture and recreation	232,561	16,075	-	-	(216,486)	-	(216,486)
Total governmental	3,122,062	195,762	1,183,013	267,261	(1,476,026)	-	(1,476,026)
Business-Type Activities							
Utilities	795,452	547,219	19,021	-	-	(229,212)	(229,212)
Total business-type activities	795,452	547,219	19,021	-	-	(229,212)	(229,212)
Total Primary Government					(1,476,026)	(229,212)	(1,705,238)
General Revenues							
Taxes							
Franchise taxes					66,338	-	66,338
Gross receipts taxes-local effort					407,072	-	407,072
Property taxes					61,202	-	61,202
Gross receipts taxes-municipal infrastructure					41,856	-	41,856
State share taxes					446,339	-	446,339
State Shared Assistance							
Small cities assistance					217,198	-	217,198
Interest					4,386	2,055	6,441
Miscellaneous					24,413	12,505	36,918
Transfers					-	-	-
Total General Revenue and Transfers					1,268,804	14,560	1,283,364
Changes in Net Assets					(207,222)	(214,652)	(421,874)
Net Assets, Beginning of Year					5,585,858	1,817,974	7,403,832
Net Assets, End of Year					\$ 5,378,636	\$ 1,603,322	\$ 6,981,958

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Statement of Activities
 June 30, 2008

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Government Activities	Business Type Activities	Total
Primary government							
Governmental Activities							
General government	\$ 1,193,694	\$ 144,040	\$ -	\$ 1,038,483	\$ (11,171)	\$ -	\$ (11,171)
Public safety	1,927,671	115,358	1,081,190	3,706	(727,417)	-	(727,417)
Public works	468,233	-	-	215,109	(253,124)	-	(253,124)
Health and welfare	6,524	-	-	-	(6,524)	-	(6,524)
Culture and recreation	227,336	17,818	-	24,886	(184,632)	-	(184,632)
Total governmental	<u>3,823,458</u>	<u>277,216</u>	<u>1,081,190</u>	<u>1,282,184</u>	<u>(1,182,868)</u>	<u>-</u>	<u>(1,182,868)</u>
Business-Type Activities							
Utilities	770,558	520,049	-	35,054	-	(215,455)	(215,455)
Total business-type activities	<u>770,558</u>	<u>520,049</u>	<u>-</u>	<u>35,054</u>	<u>-</u>	<u>(215,455)</u>	<u>(215,455)</u>
Total Primary Government					<u>(1,182,868)</u>	<u>(215,455)</u>	<u>(1,398,323)</u>
General Revenues							
Taxes							
Franchise taxes					71,873	-	71,873
Gross receipts taxes-local effort					478,491	-	478,491
Property taxes					54,032	-	54,032
Gross receipts taxes-municipal infrastructure					51,467	-	51,467
State share taxes					566,863	-	566,863
State Shared Assistance							
Small cities assistance					129,277	-	129,277
Interest					21,302	10,474	31,776
Miscellaneous					36,255	20,424	56,679
Transfers					132,627	(14,000)	118,627
Total General Revenue and Transfers					<u>1,542,187</u>	<u>16,898</u>	<u>1,559,085</u>
Changes in Net Assets					359,319	(198,557)	160,762
Net Assets, Beginning of Year					<u>5,226,539</u>	<u>2,016,531</u>	<u>7,243,070</u>
Net Assets, End of Year					<u>\$ 5,585,858</u>	<u>\$ 1,817,974</u>	<u>\$ 7,403,832</u>

The accompanying notes are an integral part of these financial statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

Assets	USAO		Town Hall Fund	Total Non- Major Funds	Total Funds
	General Fund	HIDTA Fund			
Cash and cash equivalents	\$ 86,424	\$ 5,198	\$ 60,077	\$ 190,036	\$ 341,735
Investments	100,448	-	88,805	52,639	241,892
Accounts receivable	-	-	-	-	-
Taxes receivable	68,688	-	4,870	1,195	74,753
Reserve funds receivable	-	-	46,212	-	46,212
Interest receivable	-	-	-	-	-
Due from other funds	1,159	-	-	-	1,159
Due from other governments	-	68,503	-	4,385	72,888
Total assets	<u>\$ 256,719</u>	<u>\$ 73,701</u>	<u>\$ 199,964</u>	<u>\$ 248,255</u>	<u>\$ 778,639</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 4,130	\$ 17	\$ 40,489	\$ 30,677	\$ 75,313
Accrued salaries	25,928	9,909	-	8,193	44,030
Accrued interest	-	-	-	-	-
Due to other governments	409	-	-	-	409
Due to other funds	-	-	-	1,159	1,159
Total liabilities	<u>30,467</u>	<u>9,926</u>	<u>40,489</u>	<u>40,029</u>	<u>120,911</u>
Fund balances:					
Reserved for capital projects funds	-	-	-	2,397	2,397
Unreserved for special revenue funds	-	63,775	159,475	205,829	429,079
Unreserved	226,252	-	-	-	226,252
Total fund balances	<u>226,252</u>	<u>63,775</u>	<u>159,475</u>	<u>208,226</u>	<u>657,728</u>
Total liabilities and fund balances	<u>\$ 256,719</u>	<u>\$ 73,701</u>	<u>\$ 199,964</u>	<u>\$ 248,255</u>	<u>\$ 778,639</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
Reconciliation of Balance Sheet to
Statement of Net Assets
For the Year-Ended June 30, 2009**

Total fund balances-governmental funds \$ 657,728

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Cost of the assets	\$ 6,941,794	
Accumulated depreciation	(1,459,923)	
		5,481,871

Long-term 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 liabilities at year-end consist of:

Fire Brush Truck	(39,886)	
Town Hall Project	(662,465)	
Xerox Capital Lease	(4,939)	
Compensated absences	(53,673)	
		(760,963)
Net assets for government activities		\$ 5,378,636

**STATE OF NEW MEXICO
TOWN OF MESILLA
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008**

Assets	USAO		Town Hall Fund	Total Non- Major Funds	Total Funds
	General Fund	HIDTA Fund			
Cash and cash equivalents	\$ 76,149	\$ -	\$ 22,114	\$ 111,091	\$ 209,354
Investments	188,847	-	87,588	102,560	378,995
Accounts receivable	212	-	-	-	212
Taxes receivable	81,372	-	7,606	-	88,978
Reserve funds receivable	-	-	44,693	-	44,693
Interest receivable	-	-	-	-	-
Due from other funds	40,178	-	-	7,317	47,495
Due from other governments	8,808	81,170	-	21,192	111,170
Total assets	<u>\$ 395,566</u>	<u>\$ 81,170</u>	<u>\$ 162,001</u>	<u>\$ 242,160</u>	<u>\$ 880,897</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 18,406	\$ -	\$ -	\$ 32,293	\$ 50,699
Accrued salaries	118	-	-	-	118
Accrued interest	-	-	-	-	-
Due to other funds	7,317	5,525	-	34,653	47,495
Total liabilities	<u>25,841</u>	<u>5,525</u>	<u>-</u>	<u>66,946</u>	<u>98,312</u>
Fund balances:					
Reserved for capital projects funds	-	-	-	5,397	5,397
Unreserved for special revenue funds	-	75,645	162,001	169,817	407,463
Unreserved	369,725	-	-	-	369,725
Total fund balances	<u>369,725</u>	<u>75,645</u>	<u>162,001</u>	<u>175,214</u>	<u>782,585</u>
Total liabilities and fund balances	<u>\$ 395,566</u>	<u>\$ 81,170</u>	<u>\$ 162,001</u>	<u>\$ 242,160</u>	<u>\$ 880,897</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
Reconciliation of Balance Sheet to
Statement of Net Assets
For the Year-Ended June 30, 2008**

Total fund balances-governmental funds \$ 782,585

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Cost of the assets	\$ 6,857,138	
Accumulated depreciation	(1,268,976)	
		5,588,162

Long-term 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 liabilities at year-end consist of:

Fire Brush Truck	(47,255)	
Town Hall Project	(678,606)	
Xerox Capital Lease	(8,426)	
Compensated absences	(50,602)	
		(784,889)

Net assets for government activities		\$ 5,585,858
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**STATE OF NEW MEXICO
TOWN OF MESILLA
GOVERNMENTAL FUNDS
Revenues, Expenditures and
Changes in Fund Balances
For the Year-Ended June 30, 2009**

	General Fund	USAO HIDTA Fund	Town Hall Fund	Total Non- Major Funds	Total Governmental Funds
Revenues:					
Local taxes	\$ 574,922	\$ -	\$ -	\$ -	\$ 574,922
State-shared taxes	435,720	-	137,816	23,691	597,227
Licenses and permits	36,086	-	-	-	36,086
Charges for services	65,452	-	-	34,173	99,625
Fines and forfeitures	48,525	-	-	-	48,525
Small cities assistance	217,198	-	-	-	217,198
Intergovernmental	-	-	-	128,108	128,108
Federal grants	-	340,955	-	741,567	1,082,522
State grants	-	-	-	77,714	77,714
Local grants	28,000	-	-	-	28,000
Interest income	3,002	-	1,305	79	4,386
Miscellaneous income	18,401	-	-	2,126	20,527
Total revenues	<u>1,427,306</u>	<u>340,955</u>	<u>139,121</u>	<u>1,007,458</u>	<u>2,914,840</u>
Expenditures					
Current:					
General government	666,347	-	18,170	56,341	740,858
Public safety	645,003	352,825	-	819,758	1,817,586
Public works	59,286	-	-	11,198	70,484
Culture and recreation	200,917	-	-	27,482	228,399
Capital outlay	-	-	78,749	46,776	125,525
Total expenditures	<u>1,571,553</u>	<u>352,825</u>	<u>96,919</u>	<u>961,555</u>	<u>2,982,852</u>
Excess (deficiency) of revenues over (under) expenditures	(144,247)	(11,870)	42,202	45,903	(68,012)
Other financing sources (uses)					
Debt service					
Principal	(3,487)	-	(16,141)	(7,369)	(26,997)
Interest	-	-	(28,587)	(1,261)	(29,848)
Transfers in	7,317	-	-	3,451	10,768
Transfers out	(3,056)	-	-	(7,712)	(10,768)
Total other financing sources (uses)	<u>774</u>	<u>-</u>	<u>(44,728)</u>	<u>(12,891)</u>	<u>(56,845)</u>
Net change in fund balances	(143,473)	(11,870)	(2,526)	33,012	(124,857)
Fund balance:					
Balances beginning of year	<u>369,725</u>	<u>75,645</u>	<u>162,001</u>	<u>175,214</u>	<u>782,585</u>
Balances end of year	<u>\$ 226,252</u>	<u>\$ 63,775</u>	<u>\$ 159,475</u>	<u>\$ 208,226</u>	<u>\$ 657,728</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Reconciliation of the Revenues, Expenditures, Other Financing Sources (Uses), Net Change in
Fund Balances, Beginning Fund Balance and Ending Fund Balance to the Statement of Activities
For the Year-Ending June 30, 2009

Total net change in fund balances-governmental funds \$ (124,857)

Amounts reported for governmental activities in the statement of activities are different because:

Principal payment on bonds and capital leases 26,997

Accrued interest -

Change in compensated absences

Current year additions \$ (52,001)

Current year deletions 48,930

(3,071)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays \$ 125,525

Disposal of assets -

Depreciation expense (231,816)

(106,291)

Change in net assets of governmental activities \$ (207,222)

**STATE OF NEW MEXICO
TOWN OF MESILLA
GOVERNMENTAL FUNDS
Revenues, Expenditures and
Changes in Fund Balances
For the Year-Ended June 30, 2008**

	General Fund	USAO HIDTA Fund	Town Hall Fund	Total Non- Major Funds	Total Governmental Funds
Revenues:					
Local taxes	\$ 655,647	\$ -	\$ -	\$ -	\$ 655,647
State-shared taxes	538,081	-	-	28,306	566,387
Licenses and permits	47,098	-	-	-	47,098
Charges for services	83,424	-	-	49,188	132,612
Fines and forfeitures	83,988	-	-	-	83,988
Small cities assistance	129,277	-	-	-	129,277
Federal grants	-	361,229	-	674,626	1,035,855
State grants	-	-	976,049	356,872	1,332,921
Local grants	8,808	-	-	-	8,808
Interest income	13,865	-	7,121	316	21,302
Miscellaneous income	35,582	-	-	673	36,255
Total revenues	<u>1,595,770</u>	<u>361,229</u>	<u>983,170</u>	<u>1,109,981</u>	<u>4,050,150</u>
Expenditures					
Current:					
General government	739,000	-	266,303	-	1,005,303
Public safety	767,613	301,783	-	792,408	1,861,804
Public works	72,542	-	-	380,847	453,389
Culture and recreation	197,585	-	-	29,751	227,336
Capital outlay	35,095	-	901,209	126,608	1,062,912
Total expenditures	<u>1,811,835</u>	<u>301,783</u>	<u>1,167,512</u>	<u>1,329,614</u>	<u>4,610,744</u>
Excess (deficiency) of revenues over (under) expenditures	(216,065)	59,446	(184,342)	(219,633)	(560,594)
Other financing sources (uses)					
Debt service					
Principal	(3,487)	-	(15,729)	(12,783)	(31,999)
Interest	-	-	(28,959)	(1,061)	(30,020)
Transfers in	-	-	100,000	184,889	284,889
Transfers out	(126,172)	-	-	(26,090)	(152,262)
Total other financing sources (uses)	<u>(129,659)</u>	<u>-</u>	<u>55,312</u>	<u>144,955</u>	<u>70,608</u>
Net change in fund balances	(345,724)	59,446	(129,030)	(74,678)	(489,986)
Fund balance:					
Balances beginning of year	<u>715,449</u>	<u>16,199</u>	<u>291,031</u>	<u>249,892</u>	<u>1,272,571</u>
Balances end of year	<u>\$ 369,725</u>	<u>\$ 75,645</u>	<u>\$ 162,001</u>	<u>\$ 175,214</u>	<u>\$ 782,585</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Reconciliation of the Revenues, Expenditures, Other Financing Sources (Uses), Net Change in
Fund Balances, Beginning Fund Balance and Ending Fund Balance to the Statement of Activities
For the Year-Ending June 30, 2008

Total net change in fund balances-governmental funds \$ (489,986)

Amounts reported for governmental activities in the statement of activities are different because:

Principal payment on bonds and capital leases 31,999

Accrued interest -

Change in compensated absences

Current year additions	\$ (22,085)	
Current year deletions	11,346	
		(10,739)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	\$ 1,062,912	
Disposal of assets	(52,800)	
Depreciation expense	(182,067)	
		828,045

Change in net assets of governmental activities		\$ 359,319
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STATE OF NEW MEXICO
TOWN OF MESILLA
GENERAL FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local taxes	\$ 682,617	\$ 682,617	\$ 589,364	\$ (93,253)
State-shared taxes	513,100	513,100	422,648	(90,452)
Local grants	28,000	28,000	28,000	-
Licenses & permits	49,750	49,750	36,086	(13,664)
Charges for services	63,800	63,800	85,786	21,986
Fines and forfeits	96,000	96,000	48,525	(47,475)
Interest	10,000	10,000	3,002	(6,998)
Miscellaneous revenues	-	-	18,401	18,401
Small cities assistance	129,277	129,277	217,198	87,921
Total revenues	<u>1,572,544</u>	<u>1,572,544</u>	<u>1,449,010</u>	<u>(123,534)</u>
Add: Budget cash	141,344	141,344		
	<u>\$1,713,888</u>	<u>\$1,713,888</u>		
Expenditures:				
General government	427,520	697,018	618,616	78,402
Public safety	750,879	749,140	613,731	135,409
Public works	49,078	63,659	66,646	(2,987)
Culture and recreation	240,212	198,761	197,030	1,731
Capital outlay	-	-	52,452	(52,452)
Total expenditures	<u>1,467,689</u>	<u>1,708,578</u>	<u>1,548,475</u>	<u>160,103</u>
Excess (deficiency) of revenues over expenditures			(99,465)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(3,056)	(3,056)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,056)</u>	<u>(3,056)</u>
Net change in fund balance (Non-GAAP)			(102,521)	
Differences between Non-GAAP and Modified GAAP				
Change in accrued revenue		(21,704)		
Change in accrued expenditures		(23,078)		
Principal loan payment		(3,487)		
Transfer		<u>7,317</u>	<u>(40,952)</u>	
Net change in fund balance (Modified GAAP)			(143,473)	
Fund balance – Beginning of year			<u>369,725</u>	
Fund balance – End of year			<u>\$ 226,252</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		Actual	Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal grants	\$ -	\$ 781,596	\$ 353,622	\$ (427,974)
Total revenues	-	781,596	353,622	(427,974)
Add: Budget cash	314,595	314,595		
	<u>\$ 314,595</u>	<u>\$1,096,191</u>		
Expenditures:				
Public safety				
Personnel expenditures	-	461,476	328,250	133,226
Operating expenditures	-	-	14,649	(14,649)
Total expenditures	-	461,476	342,899	118,577
Excess (deficiency) of revenues Over Expenditures			10,723	
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance (Non-GAAP)			10,723	
Differences Between Non-GAAP and Modified GAAP:				
Change in accrued revenue		(12,667)		
Change in accrued expenditures		(9,926)	(22,593)	
Net Change in Fund Balance (Modified GAAP)			(11,870)	
Fund Balance – Beginning of Year			75,645	
Fund Balance – End of Year			<u>\$ 63,775</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local taxes	\$ 80,000	\$ 95,700	\$ 79,035	\$ (16,665)
Miscellaneous revenues	3,000	3,000	1,217	(1,783)
State grants	135,000	125,000	-	(125,000)
Total revenues	<u>218,000</u>	<u>223,700</u>	<u>80,252</u>	<u>(143,448)</u>
Add: Budget cash	<u>141,082</u>	<u>141,082</u>		
	<u>\$ 359,082</u>	<u>\$ 364,782</u>		
Expenditures:				
General government	135,000	175,000	38,260	136,740
Capital outlay	-	-	-	-
Total expenditures	<u>135,000</u>	<u>175,000</u>	<u>38,260</u>	<u>136,740</u>
Excess (deficiency) revenues over expenditures			41,992	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			41,992	
Differences Between Non-GAAP and Modified GAAP				
Change in accrued revenue		58,869		
Change in accrued expenditures		<u>(103,387)</u>	<u>(44,518)</u>	
Net change in fund balance (Modified GAAP)			(2,526)	
Fund balances – Beginning of year			<u>162,001</u>	
Fund balances – End of year			<u>\$ 159,475</u>	

The accompanying notes are an integral part of these financial statements

PROPRIETARY FUND

STATE OF NEW MEXICO
TOWN OF MESILLA
PROPRIETARY FUND-JOINT UTILITIES
Balance Sheet
June 30,

Assets	<u>2009</u>	<u>2008</u>
Current assets		
Cash	\$ 108,012	\$ 140,319
Investments	106,248	139,463
Accounts receivable	61,983	71,267
Other receivable	-	1,914
Total current assets	<u>276,243</u>	<u>352,963</u>
Non-current assets		
Capital assets	3,160,233	3,084,283
Accumulated depreciation	(1,627,695)	(1,499,931)
Total non-current assets	<u>1,532,538</u>	<u>1,584,352</u>
 Total assets	 <u>\$ 1,808,781</u>	 <u>\$ 1,937,315</u>
Liabilities:		
Current liabilities		
Accounts payable	\$ 14,107	\$ 33,120
Accrued salaries	84,764	53,612
Accrued compensated absences	6,636	5,723
Current portion of long-term debt	8,161	-
Customer security deposits	25,633	26,886
Total current liabilities	<u>139,301</u>	<u>119,341</u>
Non-current liabilities		
Lease payable	44,633	-
Lease premium	21,525	-
Total non-current assets	<u>66,158</u>	<u>-</u>
 Total liabilities	 <u>205,459</u>	 <u>119,341</u>
Net assets:		
Invested in capital assets	1,468,175	1,584,352
Unrestricted assets (deficit)	135,147	233,622
Net assets – end of year	<u>1,603,322</u>	<u>1,817,974</u>
 Total liabilities and net assets	 <u>\$ 1,808,781</u>	 <u>\$ 1,937,315</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
PROPRIETARY FUND-JOINT UTILITIES
Statements of Revenues, Expenses and Changes in Fund Net Assets
For the Year-Ended June 30,

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Charges for services	\$ 547,219	\$ 520,049
Municipal taxes	19,021	35,054
Miscellaneous	12,505	20,424
Total operating revenues	<u>578,745</u>	<u>575,527</u>
Operating expenses:		
Personnel services	203,754	224,355
Operating expenses	458,002	432,281
Depreciation and amortization	122,384	113,922
Total operating expenses	<u>784,140</u>	<u>770,558</u>
Operating income (loss)	(205,395)	(195,031)
Non-operating revenues (expenses):		
Interest income	2,055	10,474
Interest expense	(11,312)	-
Total non-operating revenues (expenses)	<u>(9,257)</u>	<u>10,474</u>
Income (loss) before transfers	(214,652)	(184,557)
Transfers in (out)	<u>-</u>	<u>(14,000)</u>
Change in net assets	(214,652)	(198,557)
Total net assets-beginning	<u>1,817,974</u>	<u>2,016,531</u>
Total net assets-ending	<u>\$ 1,603,322</u>	<u>\$ 1,817,974</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
PROPRIETARY FUND-JOINT UTILITIES
Statement of Cash Flows
For the Year-Ended June 30,

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from agencies and customers	\$ 588,690	\$ 570,625
Cash used for salaries and operating expenses	(648,705)	(616,648)
Net cash used for operating activities	<u>(60,015)</u>	<u>(46,023)</u>
Cash flows from financing activities:		
Acquisition of capital assets – net	(75,950)	(34,856)
Transfer from governmental funds	-	(14,000)
Net cash used for financing activities	<u>(75,950)</u>	<u>(48,856)</u>
Cash flows from investing activities:		
Transfer from investment account	33,215	119,946
Proceeds from notes payable	10,186	-
Proceeds from lease payable net of premium	75,950	-
Principal payments of long term instruments	(6,436)	-
Interest payments of long term instruments	(11,312)	-
Interest income	2,055	10,474
Net cash provided by investing activities	<u>103,658</u>	<u>130,420</u>
Net (decrease) in cash and cash equivalents	(32,307)	35,541
Cash and cash equivalents – beginning of year	<u>140,319</u>	<u>104,778</u>
Cash and cash equivalents – end of year	<u>\$ 108,012</u>	<u>\$ 140,319</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (205,395)	\$ (195,031)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation & amortization	122,384	113,922
Changes in assets and liabilities		
Accounts receivable	11,197	(8,707)
Accounts payable	(19,013)	(11,472)
Customer deposits	(1,253)	3,805
Accrued payroll	31,152	46,198
Accrued compensated absences	913	5,262
Net cash provided by operating activities	<u>\$ (60,015)</u>	<u>\$ (46,023)</u>

The accompanying notes are an integral part of these financial statements

AGENCY FINANCIAL STATEMENT

**STATE OF NEW MEXICO
TOWN OF MESILLA
AGENCY FUNDS LISTING**
June 30, 2009

Municipal Court Bond Fund

To account for bonds posted for court appearances.

STATE OF NEW MEXICO
TOWN OF MESILLA
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES - AGENCY FUNDS
June 30,

	<u>2009</u>	<u>2008</u>
Assets		
Cash	\$ 3,620	\$ -
Investments	-	13,685
Accrued interest receivable	-	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 3,620</u>	<u>\$ 13,685</u>
Liabilities		
Held for others	<u>\$ 3,620</u>	<u>\$ 13,685</u>
	<u> </u>	<u> </u>
Total liabilities	<u>\$ 3,620</u>	<u>\$ 13,685</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENT

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Mesilla, New Mexico (Town) have been prepared in conformity with generally accepted accounting principles as applied to government entities. The significant governmental accounting policies are described below.

A. Financial Reporting Entity

The Town was incorporated in 1861. The Town is a political subdivision of the State of New Mexico, operates under the Trustee-Clerk form of government. The Town provides the following authorized services; public safety, police and fire, highways and streets, water, sanitation, health and welfare, social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Town has no component units, and is not a component unit of another governmental agency.

All governmental and business-type activities of the Town follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statement (i.e., the statement of net assets and the statement of activities and changes in net assets) reports information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

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

Separate financial statements are provided for governmental funds and proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The Town's fiduciary funds (which have been refined narrowed in scope) are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into government-wide statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. *Measurement Focus, Basis of Accounting and Financial Statement Presentation(continued)*

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Government funds are used to account for the Town's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Town except for items included in other funds.

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

The *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the Town is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which includes funds that were not required to be presented as major but were at the discretion of management:

The *Town Hall Capital Project Fund* accounts for the construction of a new municipal complex. Authority for the creation of this fund is by Town resolution.

The *United States Attorney's Office (USAO) High Intensity Drug Tracking Area (HIDTA) fund* accounts for grant revenues that are restricted for salaries of the U.S. Attorney's General Office. Authority for the creation and maintenance of the fund is 67-16-1 to 67-16-14 NMSA 1978.

Enterprise Fund Types:

These funds are used to account for services to the general public where all or most of the costs including depreciation are to be financed or recovered from users of such services. The Town maintains separate funds for water, sewer and solid waste utility operations. These are reported as the Joint Utility Fund and are considered a major business-type fund.

Additionally, the Town reports the following fiduciary fund types:

The *Municipal Court Bond Fund* to account for bonds posted for court appearances.

The *Revolving Loan Fund* to account for loaning for community improvements and development and development and the collections of repayments of such loan proceeds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and business-type fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. *Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)*

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Amounts reported as *program* revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Town does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the Town's proprietary fund is charges for utilities. Operating expenses for business-type funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for us, it is the Town's policy to use restricted resources first, and then unrestricted resources, as they are needed.

The Town adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement affects the manner in which the Town records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB Statement No 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions. The statement includes the following sections, which were not previously included in the basic financial statements. The governmental fund financial statements continue to be presented as a building block for the new GASB Statement No. 34 statements.

- a. *Management's Discussion and Analysis* – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the Town's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.
- b. *Government-Wide Financial Statements* – The reporting model includes financial statements prepared using full accrual accounting for all of the Town's activities. This approach includes not just current assets and liabilities but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Statement of Net Assets – The statement of net assets is designed to display the financial position of the primary government (government and business-type activities). The Town now reports all capital assets in the government-wide statement of net assets and reports depreciation expense – the cost of “using up” capital assets – in the statement of activities. The net assets of the Town are broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the Town’s functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the Town has recorded capital and certain other long-term assets and liabilities in the statement of net assets, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statements of activities.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments: 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. Investments in the Town’s cash and certificates of deposit are stated at cost, which approximates fair value. State statutes authorize the Town to invest in certificates of deposit, obligations of the state and the U.S. government, and the New Mexico State Treasurer’s investment pool. All other investments are carried at fair market value using quoted market prices. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as inter-fund balance. Long term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable from available resources.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets including computer software are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is adjusted for all deletions.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. No computer software is developed in-house.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Utility system	25
Other improvements	40
Machinery and equipment, including vehicles	5-10

Compensated Absences: Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Town. Accumulated unused vacation may be carried from one calendar year to another but the amount of annual leave carry over not exceed eighty (80) hours. Accumulated unused vacation is payable upon retirement or termination from employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured.

The Town allows 40-hour employees to accumulate unused sick leave to a maximum of ninety days or 720 hours. Hours accumulated above these thresholds are forfeited. Accumulated unused sick leave is not paid upon termination from employment or retirement. Sick leave is only paid upon illness while in the employment of the Town. Accordingly, no provision for accumulated sick leave has been made in the accompanying financial statements.

Long-Term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. The face amount of debt issued is reported as other financing sources.

Net Assets: The government-wide financial statements utilize a net assets presentation. Net assets are categorized as follows:

Investment in Capital Assets, Net of Related Debt - In the fund financial statements, investment in capital assets are reported net of depreciation and related debt.

Restricted Net Assets – This category reflects the portion of net assets that have third party limitations on their use.

Unrestricted Net Assets – This category reflects net assets of the Town, not restricted for any project or other purpose.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Inter-Fund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets of the Town are prepared prior to June 1 and must be approved by the local Board of Trustees and the New Mexico Department of Finance and Administration. Once the budget has been formally approved, the Board of Trustees and the Department of Finance and Administration must also approve any amendments. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

The Town is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the years-ended June 30, 2009 and 2008 is presented.

**STATE OF NEW MEXICO
TOWN OF MESILLA
Notes to Financial Statements
June 30, 2009**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

The following is reconciliations between the Non-GAAP budgetary basis amount and the financial statements on the GASB basis by fund type.

	<u>June 30, 2009</u>				
	<u>General Fund</u>	<u>USAO HIDTA Fund</u>	<u>Town Hall Project</u>	<u>Non-Major Funds</u>	<u>Proprietary Fund</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Modified GAAP Basis)	\$ (147,734)	\$ (11,870)	\$ (2,526)	\$ 37,275	\$ (214,652)
Adjustments:					
To revenues for tax accruals, earnings on investments and other deferrals and accruals.	21,704	12,667	(58,869)	6,730	5,966
Adjustments:					
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>26,565</u>	<u>9,926</u>	<u>103,387</u>	<u>14,642</u>	<u>104,759</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	<u>\$ (99,465)</u>	<u>\$ 10,723</u>	<u>\$ 41,992</u>	<u>\$ 58,647</u>	<u>\$ (103,927)</u>

**STATE OF NEW MEXICO
TOWN OF MESILLA
Notes to Financial Statements
June 30, 2009**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

	<u>June 30, 2008</u>				
	General Fund	USAO HIDTA Fund	Town Hall Project	Non-Major Funds	Proprietary Fund
Excess (deficiency) of revenues and other sources (uses) over expenditures (Modified GAAP Basis)	\$ (345,724)	\$ 59,446	\$ (129,030)	\$ (74,678)	\$ (198,557)
Adjustments:					
To revenues for tax accruals, earnings on investments and other deferrals and accruals.	(42,459)	(41,809)	(97,456)	(94,826)	(1,574)
Adjustments:					
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	113,654	(11,121)	93,732	85,219	94,029
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	\$ (274,529)	\$ 6,516	\$ (132,754)	\$ (84,285)	\$ (106,102)

NOTE 3 CUSTODIAL CREDIT RISK - DEPOSITS

The Town had the following depository accounts. All deposits are carried at cost plus accrued interest. The Town does not have a deposit policy.

	2009	2008
<u>Depository Account</u>	Bank Balance	Bank Balance
Insured	\$ 250,000	\$ 100,000
Collateralized:		
Collateral held by pledging bank's trust department not in the Town's name	220,241	289,357
Uninsured and uncollateralized		-
Total Cash and cash equivalents Government	\$ 470,241	\$ 389,357

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

NOTE 3 CUSTODIAL CREDIT RISK – DEPOSITS (continued)

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 Town does not have a deposit policy for custodial risk. As of June 30, 2009, \$220,241 of the Town’s \$470,241 and June 30, 2008, \$289,357 of the Town’s balance of \$389,357 was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
Uninsured and uncollateralized	\$ -	\$ -
Uninsured and collateral held by pledging bank’s trust department not in Town’s name	220,241	289,357
Total Cash and cash equivalents, Primary Government	<u>\$ 220,241</u>	<u>\$ 289,357</u>

NOTE 4 INVESTMENTS

The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978.

The pool does not have unit shares. Per Section 6-10-101F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The investments are valued at fair value based on quoted market prices as of the valuation date. Investments owned by the Town at June 30, were as follows:

The interest credit rate risk of this investment is as follows:

2009 New MexicoGrow LGIP	AAAm rated	\$ 348,061	43-day WAM
2008 New MexicoGrow LGIP	AAAm rated	\$ 539,666	24-day WAM

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

NOTE 5 RECEIVABLES

Receivables as of June 30, are as follows:

	<u>2009</u>		
	Governmental Fund	Proprietary Fund	Total
Accounts receivable	\$ -	\$ 61,983	\$ 61,983
Other receivables	-	-	-
Taxes receivable	74,753	-	74,753
Reserve Funds receivable	46,212	-	46,212
Due from other funds	1,159	-	1,159
Due from other governments	72,888	-	72,888
Net receivables	<u>\$ 195,012</u>	<u>\$ 61,983</u>	<u>\$ 256,995</u>

	<u>2008</u>		
	Governmental Fund	Proprietary Fund	Total
Accounts receivable	\$ 212	\$ 71,267	\$ 71,479
Other receivables	-	1,914	1,914
Taxes receivable	88,978	-	88,978
Reserve Funds receivable	44,693	-	44,693
Due from other funds	47,495	-	47,495
Due from other governments	111,170	-	111,170
Net receivables	<u>\$ 292,548</u>	<u>\$ 73,181</u>	<u>\$ 365,729</u>

The Town's policy has not provided for uncollectible accounts.

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

NOTE 6 CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the years-ended June 30, 2008 and 2007. Land is not subject to depreciation.

Governmental Activities:	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated							
Land	\$ 999,500	\$ -	\$ -	\$ 999,500	\$ -	\$ -	\$ 999,500
Work in process	616,880	-	616,880	-	59,224	-	59,224
Total	<u>1,616,380</u>	<u>-</u>	<u>616,880</u>	<u>999,500</u>	<u>59,224</u>	<u>-</u>	<u>1,058,724</u>
Other capital assets being depreciated							
Buildings	343,394	-	-	343,394	-	-	343,394
Other improvements	2,530,590	1,633,216	-	4,163,806	66,302	-	4,230,108
Machinery and equipment	1,361,461	46,577	57,600	1,350,438	-	40,870	1,309,568
Total	<u>4,235,445</u>	<u>1,679,793</u>	<u>57,600</u>	<u>5,857,638</u>	<u>66,302</u>	<u>40,870</u>	<u>5,883,070</u>
Accumulated depreciation:							
Buildings	141,512	-	-	141,512	11,262	-	152,774
Other improvements	104,592	85,085	-	189,677	124,380	-	314,057
Machinery and equipment	845,605	96,982	4,800	937,787	96,175	40,870	993,092
Total	<u>1,091,709</u>	<u>182,067</u>	<u>4,800</u>	<u>1,268,976</u>	<u>231,817</u>	<u>40,870</u>	<u>1,459,923</u>
Net book value	<u>\$ 4,760,116</u>	<u>\$ 1,497,726</u>	<u>\$ 669,680</u>	<u>\$ 5,588,162</u>	<u>\$ (106,291)</u>	<u>\$ -</u>	<u>\$ 5,481,871</u>

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

NOTE 6 CAPITAL ASSETS (continued)

Depreciation expense for the years-ended June 30, was charged as follows:

	<u>2009</u>	<u>2008</u>
General government	\$ 164,075	\$ 117,980
Public safety	62,790	49,244
Public works	<u>4,952</u>	<u>14,843</u>
 Total depreciation expense	 <u>\$ 231,817</u>	 <u>\$ 182,067</u>

Business-Type Activities:

	<u>Balance June</u>			<u>Balance June</u>			<u>Balance June</u>
	30, 2007	Additions	Deletions	30, 2008	Additions	Deletions	30, 2009
Capital assets being depreciated							
Utility system	\$ 2,798,286	\$ 34,856	\$ -	\$ 2,833,142	\$ -	\$ -	\$ 2,833,142
Machinery and equipment	251,142	-	-	251,142	75,950	-	327,092
Total	<u>3,049,428</u>	<u>34,856</u>	<u>-</u>	<u>3,084,284</u>	<u>75,950</u>	<u>-</u>	<u>3,160,234</u>
Accumulated depreciation:							
Utility system	1,235,594	88,052	-	1,323,646	97,845	-	1,421,491
Machinery and equipment	150,415	25,870	-	176,285	29,920	-	206,205
Total	<u>1,386,009</u>	<u>113,922</u>	<u>-</u>	<u>1,499,931</u>	<u>127,765</u>	<u>-</u>	<u>1,627,696</u>
Net book value	<u>\$ 1,663,419</u>	<u>\$ (79,066)</u>	<u>\$ -</u>	<u>\$ 1,584,353</u>	<u>\$ (51,815)</u>	<u>\$ -</u>	<u>\$ 1,532,538</u>

Depreciation expense relating to business-like activities for the years-ended June 30, 2009 and 2008 totaled \$127,765 and \$113,922, respectively.

**STATE OF NEW MEXICO
TOWN OF MESILLA
Notes to Financial Statements
June 30, 2009**

NOTE 7 LONG-TERM DEBT

During the year-ended June 30, 2009 and 2008, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental Activities	Balance			Balance			Balance	Due
	June 30, 2007	Additions	Decreases	June 30, 2008	Additions	Decreases	June 30, 2009	Within One Year
NMFA Notes Payable:								
Fire Equipment	\$ 5,556	\$ -	\$ 5,556	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Brush Truck	54,482	-	7,227	47,255	-	7,369	39,886	7,557
Town Hall Project	694,335	-	15,729	678,606	-	16,141	662,465	15,879
Xerox Capital Lease	11,913	-	3,487	8,426	-	3,487	4,939	3,487
Compensated absences	39,862	19,590	8,850	50,602	52,001	48,930	53,673	26,837
Totals	\$ 806,148	\$ 19,590	\$ 40,849	\$ 784,889	\$ 52,001	\$ 75,927	\$ 760,963	\$53,760

These debts are paid from the Fire Fund, Town Hall Project Fund and General Fund. . Accrued compensated absences are paid out of various funds in the following percentage: 53.2% from General Fund, 28.0% from NM HIDTA, 11.9% from USAO HIDTA, and 6.9% from ISC HIDTA.

Business-type Activities:	Balance			Balance			Balance	Due
	June 30, 2007	Additions	Decreases	June 30, 2007	Additions	Decreases	June 30, 2009	Within One Year
NMFA Note Payable	\$ -	\$ -	\$ -	\$ -	\$ 10,186	\$ 230	\$ 9,956	\$ 512
Asphalt Zipper Lease	-	-	-	-	49,044	6,206	42,838	\$ 7,637
Compensated absences	461	7,026	1,764	5,723	9,816	8,903	6,636	\$ 6,636
Totals	\$ 461	\$ 7,026	\$ 1,764	\$ 5,723	\$ 69,046	\$ 15,339	\$ 59,430	\$ 14,785

These debts are paid from the Utility Fund.

**STATE OF NEW MEXICO
TOWN OF MESILLA
Notes to Financial Statements
June 30, 2009**

NOTE 7 LONG-TERM DEBT (continued)

Notes Payable – New Mexico Finance Authority

A. NMFA - \$74,947 Loan – Fire Fund

On December 19, 2003, the Town borrowed \$74,847 from the New Mexico Finance Authority. The note matures on May 1, 2014, and accrues interest at rates between .62% and 3.11% per annum. The proceeds of the loan were used for the purchase of a fire brush truck. The payments of principal and interest are paid from pledged fire protection fund distributions. The annual requirements to amortize the 2003 loan outstanding as of June 30, 2009, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Totals
2010	7,557	1,088	8,645
2011	7,763	882	8,645
2012	7,974	671	8,645
2013	8,192	453	8,645
2014	8,400	229	8,629
	\$ 39,886	\$ 3,323	\$ 43,209

B. NMFA - \$746,187 Loan – Town Hall Project Fund

On November 21, 2003, the Town borrowed \$746,187 from the New Mexico Finance Authority. The note matures on November 1, 2033, and accrues interest at rates between .880% and 4.58% per annum. The proceeds of the loan were used for construction of the Town's municipal complex. The payments of principal and interest are paid from pledged governmental capital outlay gross receipts taxes. The annual requirements to amortize the 2003 loan outstanding as of June 30, 2009, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Totals
2010	15,879	30,069	45,948
2011	16,600	29,348	45,948
2012	17,353	28,595	45,948
2013	18,141	27,807	45,948
2014-2033	594,492	321,591	916,083
	\$ 662,465	\$ 437,410	\$ 1,099,875

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

NOTE 7 LONG-TERM DEBT (continued)

C. NMFA - \$10,186 Loan – Water Line Extension Project

On December 19, 2008, the Town borrowed \$10,186 from the New Mexico Finance Authority. The note matures on June 1, 2028, and carries a 0% interest rate; however, a .25% administrative fee is assessed with each payment. The proceeds of the loan are to be used for the water line extension project. The funds have yet to be received and are still held at the New Mexico Finance Authority. The payments of principal and the administrative fees are paid from pledged proprietary capital outlay funds. The annual requirements to amortize the 2008 loan outstanding as of June 30, 2009, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Totals
2010	512	-	512
2011	514	-	514
2012	515	-	515
2013	516	-	516
2014-2033	7,899	-	7,899
	\$ 9,956	\$ -	\$ 9,956

D. Capital Lease – Xerox Copier

On November 16, 2005, the Town entered into a capital lease agreement with Xerox Corporation for a Xerox Workcentre Pro. The contract expires October 16, 2010; however, there is a provision allowing the agency to terminate the agreement at will, or at the end of each fiscal year, without penalty. The Town has no “equitable or moral” duty to continue to make payments under the contract. The contract also contains a non-appropriation clause allowing for termination of the agreement in the event the agency decides not to appropriate funds for each fiscal year. The total value of the lease is \$17,433, to be paid over sixty months at \$290.56 per month. The lease also covers maintenance and supplies. The payments are made out of the General Fund and are budgeted as an administration expense. Current balance on lease agreement is \$4,939.

E. Capital Lease – Asphalt Zipper

On January 31, 2008, the Town entered into a capital lease agreement with Baystone Financial Group for an Asphalt Zipper. The lease contains the option to purchase agreement. The fair value of the assets at the start of the lease is \$75,950. The present value of minimum lease presents is \$49,044, to be paid over five years due annually in arrears, with an interest rate of 4.950%. The payments of \$17,518 are made out of the proprietary fund and are budgeted as an administration expense. Current balance on the lease agreement is \$42,838. Minimum lease payments are \$87,592. The schedule of principal and imputed interest is as follows:

Year Ended June 30,	Reduction in Lease Obligation	Interest	Totals
2010	7,637	9,881	17,518
2011	9,399	8,119	17,518
2012	11,567	5,951	17,518
2013	14,235	8,283	22,518
	\$ 42,838	\$ 32,234	\$ 75,072

The premium of \$26,906 is amortized over the life of the lease. The 2009 amortization amount is \$5,381.

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

NOTE 7 LONG-TERM DEBT (continued)

F. Compensated Absences

A liability for unused vacation for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered.
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

NOTE 8 INTER-FUND BALANCES AND TRANSFERS

Amounts due as of June 30, are as follows:

Receivable Fund	Payable Fund	Purpose	<u>2009</u> Amount	<u>2008</u> Amount
Court Automation	General Fund	Advance Funds	\$ -	\$ 7,317
General Fund	USAO HIDTA Fund	Fund Temporary Cash Overdraft	-	5,525
General Fund	Court Automation	Fund Temporary Cash Overdraft	-	5,336
General Fund	ISC HIDTA	Fund Temporary Cash Overdraft	-	8,125
General Fund	Teen Center	Fund Temporary Cash Overdraft	-	21,192
General Fund	Cops Universal	Fund Temporary Cash Overdraft	797	-
General Fund	Safe Routes to School	Fund Temporary Cash Overdraft	362	-
			<u>\$ 1,159</u>	<u>\$ 47,495</u>

Inter-fund balances represent short-term advances for funds that receive taxes and grants on a reimbursement basis.

Transfers to/from other funds at June 30, consist of the following:

<u>2009</u>	<u>2008</u>	
\$ -	\$ 5,000	From the General Fund to Recreation Fund for operations.
-	6,911	From the General Fund to Court Automation Fund for operations.
-	14,000	From the Proprietary Fund to the General Fund for operations.
-	1,051	From the General Fund to the BLMGF Fema Fund for improvements.
-	72,717	From the General Fund to the Road Fund for operations.
-	3,500	From the Genral Fund to the Lodgers Tax Fund for operations.
-	14,090	From the Fire Protection Fund to the General Fund for operations.
-	73,710	From the General Fund to COPS to transfer funding.
7,317	-	From the Court Automation Fund to the General Fund for prior year
195	-	From the Utility Deposit Fund to the Water Service Fund for Operations.
3,056	-	From the General Fund to COPS to transfer funding.
395	-	From the Alltel Fund to the General Fund to close fund.
395	-	From the General Fund to Humanities Fund to provide initial funding.
<u>\$ 11,358</u>	<u>\$ 190,979</u>	Total

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

NOTE 8 INTER-FUND BALANCES AND TRANSFERS (continued)

Transfers to/from the agency fund to other funds at June 30, consist of the following:

<u>2009</u>	<u>2008</u>	
<u>\$ -</u>	<u>\$ 100,000</u>	Revolving Loan Fund closed and Cash transferred to Town Hall Fund

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

Town of Mesilla has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insured Fund, a public entity risk pool currently operating as a common risk management and insurance program for local government. The Town pays an annual premium to New Mexico Self-Insured Fund for general insurance coverage and all risk of loss is transferred. The premium paid in years ending June 30, 2009 and 2008 is \$27,250 and \$56,513, respectively.

NOTE 10 PERA PENSION PLAN

Plan Description. Substantially all of Town of Mesilla'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 Employee 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, 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. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy. Plan members are required to contribute 7% for municipal employees and 12.35% of gross salaries for law enforcement employees. The Town is required to contribute 7% for general municipal employees, 18.5% for law enforcement plan members, and 21.25% and 12.80% of gross salaries for the Fire Chief. The contribution requirements of plan members and Town of Mesilla are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Town of Mesilla's contributions to PERA for the years ending June 30, 2009, 2008, and 2007 were \$139,902, \$145,408, and \$106,592, respectively, equal to the required contributions for each year.

NOTE 11 POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act, Chapter IV, Article 7C NMSA 1978 provides a comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Town has elected not to participate in the post-employment health insurance plan.

NOTE 12 CONTINGENT LIABILITIES

Following a hail storm, the Town was declared a disaster area by the Governor of New Mexico and the U. S. Department of Homeland Security, Federal Emergency Management Administration (FEMA). Recovery costs have been estimated by the New Mexico Department of Public Safety, Office of Emergency Management, at \$73,272. FEMA has agreed to pay for \$54,954 (75%) of the estimated costs. The Office of Emergency Management has estimated the State's share at 18%. As of June 30, 2009, the final cost to the State has not been determined. After the State's share is determined, the Town will be responsible for the balance of the recovery costs. The Town's liability insurance did not contribute toward the recovery costs.

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

NOTE 13 FEDERAL AND STATE GRANTS

In the normal course of operations, the Town receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

NOTE 14 SUBSEQUENT EVENTS

The Town has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies constitute future commitments.

NOTE 15 LEGAL COMPLIANCE WITH BUDGET

The following funds had actual total expenditures over budgeted expenditures.

Fund	Category	Budget Amount	Actual Amount	Over Expended	Reason
ISC HIDTA	Total expenditures	298,065	318,848	20,783	Actual verses budget expenditures not adequately monitored
Cops Universal	Total expenditures	-	6,082	6,082	Actual verses budget expenditures not adequately monitored
Humanities	Total expenditures	-	3,886	3,886	Actual verses budget expenditures not adequately monitored

Management will monitor expenditures and budget to ensure compliance.

NON-MAJOR GOVERNMENTAL FUND TYPES

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
As of and for the Year-Ended June 30, 2009

SPECIAL REVENUE FUNDS

Correction Fees

To account for the collection and expenditures of fees charged on citations for court appearances (NMSA 35-14-11).

Emergency Medical Services

To account for the acquisition of emergency medical equipment financed through a grant from the state of New Mexico (NMSA 24-0A4-6).

Fire Protection

To account for the operation and acquisition of assets for the Fire Department. This fund is financed through state grants (NMSA 59A-53-1).

Law Enforcement

To account for receipts and disbursements of State Funds Chapter 289, Law of 1983. These funds are to enhance the efficiency and effectiveness of the police force (NMSA 29-13-3)

Lodgers' Tax

To account for the operations of promotional activities of the Town of Mesilla. Financing is provided primarily by specific tax levy on area motels (NMSA 14-37-16).

Street Improvement

To account for the receipts, disbursements and transfer of funds received from state shared gasoline taxes. These funds are designated for street and highway maintenance and improvements (NMSA 7-24A-10).

Recreation

To account for the operations and maintenance of recreation facilities. Financing is provided by a cigarette tax levy to the extent that other revenues are not sufficient to provide such services (NMSA 7-12-15 and 16).

Court Automation

To account for fees collected upon conviction from persons convicted of violating any Town ordinance relating to the operation of motor vehicle or any ordinance that may be enforced by the imposition of a jail term (NMSA 35-14-11).

Fiesta

To account for receipts from the rental fees for the promotion and organization of Town Fiestas. The creation and maintenance of a separate fund was established by Town resolution.

FEMA Relief

To account for the receipts, disbursements, and transfer of funds received from federal and state FEMA funds. These funds are designated for repairs from the hail storm.

New Mexico High Intensity Drug Trafficking Area (HIDTA)

To account for the proceeds from the Office of National Drug Control and the expenditures thereof (NMSA 67-16-1 to 67-16-14).

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
As of and for the Year-Ended June 30, 2009

Regional Interagency Drug Task Force (RIDTF) HIDTA

To account for proceeds from the Office of National Drug Control and the expenditures thereof (NMSA 67-16-1 to 67-16-14).

Investigative Support Center (ISC) HIDTA

To account for proceeds from the Office of National Drug Control and the expenditures thereof (NMSA 67-16-1 to 67-16-14).

Alltel

To account for the receipts, which are restricted for use in inspecting the Alltel cellular tower at the corner of Avenida de Mesilla and Union Ave. This fund is required pursuant to Mesilla's cellular Tower Ordinance.

COPS Universal Hiring Grant

To account for federal grant revenues from the Department of Justice and the related public safety wage expenditures. This fund is required by the federal grant contract #2002UMWX0232.

Safe Routes to School

To account for state grant revenue and expenditures from the Safe Routes to School program. The creation and maintenance of a separate fund was established by Town resolution.

Humanities

To account for revenues and expenditures from the grant from the New Mexico Statehood Steering committee. The creation and maintenance of a separate fund was established by Town resolution.

CAPITAL PROJECTS FUNDS

CDBG Improvement

To account for various capital improvements funded by federal grants. Authorized by the federal government, Title I of the Housing and Community Development Act of 1974, as amended 10-4-95 and 9-30-96.

Senior Center

To account for State Area Agency on Aging grant revenues and the expenditures thereof for capital improvements to the community center that houses the senior programs. This fund is required by the state grant contract.

Teen Center

To account for expenditures and grant revenue received for capital improvements and supplies for the teen center. The creation and maintenance of a separate fund was established by Town resolution.

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds	Capital Projects Funds	Total
Assets			
Cash and cash equivalents	\$ 187,639	\$ 2,397	\$ 190,036
Tax receivable	1,195	-	1,195
Investments	52,639	-	52,639
Due from other governments	4,385	-	4,385
Due from other funds	-	-	-
Total assets	<u>\$ 245,858</u>	<u>\$ 2,397</u>	<u>\$ 248,255</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 30,677	\$ -	\$ 30,677
Accrued salaries	8,193	-	8,193
Due to other funds	1,159	-	1,159
Total liabilities	<u>40,029</u>	<u>-</u>	<u>40,029</u>
Fund Balances:			
Reserved for capital projects funds	-	2,397	2,397
Unreserved for special revenue funds	205,829	-	205,829
Total fund balances	<u>205,829</u>	<u>2,397</u>	<u>208,226</u>
Total liabilities and fund balances	<u>\$ 245,858</u>	<u>\$ 2,397</u>	<u>\$ 248,255</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds	Capital Projects Funds	Total
Assets			
Cash and cash equivalents	\$ 105,694	\$ 5,397	\$ 111,091
Accounts receivable	-	-	-
Investments	102,560	-	102,560
Due from other governments	-	21,192	21,192
Due from other funds	7,317	-	7,317
Total assets	<u>\$ 215,571</u>	<u>\$ 26,589</u>	<u>\$ 242,160</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 32,293	\$ -	\$ 32,293
Accrued salaries	-	-	-
Accrued interest	-	-	-
Due to other funds	13,461	21,192	34,653
Total liabilities	<u>45,754</u>	<u>21,192</u>	<u>66,946</u>
Fund Balances:			
Reserved for capital projects funds	-	5,397	5,397
Unreserved for special revenue funds	169,817	-	169,817
Total fund balances	<u>169,817</u>	<u>5,397</u>	<u>175,214</u>
Total liabilities and fund balances	<u>\$ 215,571</u>	<u>\$ 26,589</u>	<u>\$ 242,160</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2009

	Special Revenue Funds	Capital Projects Funds	Totals
Revenues:			
State-shared taxes	\$ 23,691	\$ -	\$ 23,691
Charges for services	34,173	-	34,173
Interest income	79	-	79
Miscellaneous income	2,126	-	2,126
Intergovernmental	128,108	-	128,108
Federal grant	741,567	-	741,567
State grant	52,714	25,000	77,714
Total revenues	982,458	25,000	1,007,458
Expenditures:			
Current:			
General government	28,341	28,000	56,341
Public safety	819,758	-	819,758
Public works	11,198	-	11,198
Culture and recreation	27,482	-	27,482
Capital outlay	46,776	-	46,776
Total expenditures	933,555	28,000	961,555
Excess (deficiency) Revenues			
Excess (deficiency) revenues over expenditures	48,903	(3,000)	45,903
Other financing sources (uses):			
Debt service principal	(7,369)	-	(7,369)
Debt service interest	(1,261)	-	(1,261)
Operating transfers in	3,451	-	3,451
Operating transfers out	(7,712)	-	(7,712)
Total other financing sources (uses)	(12,891)	-	(12,891)
Net change in fund balance	36,012	(3,000)	33,012
Fund balance – Beginning of year	169,817	5,397	175,214
Fund balance – End of year	\$ 205,829	\$ 2,397	\$ 208,226

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2008

	Special Revenue Funds	Capital Projects Funds	Totals
Revenues:			
State-shared taxes	\$ 28,306	\$ -	\$ 28,306
Charges for services	49,188	-	49,188
Interest income	316	-	316
Miscellaneous income	673	-	673
Intergovernmental	-	-	-
Federal grant	674,626	-	674,626
State grant	317,776	39,096	356,872
Total revenues	1,070,885	39,096	1,109,981
Expenditures:			
Current:			
General government	-	-	-
Public safety	792,408	-	792,408
Public works	380,847	-	380,847
Culture and recreation	29,751	-	29,751
Capital outlay	85,512	41,096	126,608
Total expenditures	1,288,518	41,096	1,329,614
Excess (deficiency) Revenues			
Excess (deficiency) revenues over expenditures	(217,633)	(2,000)	(219,633)
Other financing sources (uses):			
Debt service principal	(12,783)	-	(12,783)
Debt service interest	(1,061)	-	(1,061)
Operating transfers in	184,889	-	184,889
Operating transfers out	(26,090)	-	(26,090)
Total other financing sources (uses)	144,955	-	144,955
Net change in fund balance	(72,678)	(2,000)	(74,678)
Fund balance – Beginning of year	242,495	7,397	249,892
Fund balance – End of year	<u>\$ 169,817</u>	<u>\$ 5,397</u>	<u>\$ 175,214</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009**

	Correction Fees	Emergency Medical Services	Fire Protection	Law Enforcement	Lodgers' Tax	Street Improvements	Recreation	Subtotals
Assets								
Cash and cash equivalents	\$ 78,260	\$ 1,288	\$ 9,060	\$ 10,204	\$ 1,170	\$ 29,360	\$ 2,248	\$ 131,590
Investments	52,639	-	-	-	-	-	-	52,639
Tax receivable	-	-	-	-	-	1,195	-	1,195
Due from other	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total Assets	\$ 130,899	\$ 1,288	\$ 9,060	\$ 10,204	\$ 1,170	\$ 30,555	\$ 2,248	\$ 185,424
Liabilities								
Accounts payable	\$ -	\$ 60	\$ 4,403	\$ 6,899	\$ -	\$ -	\$ -	\$ 11,362
Accrued salary	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	-	60	4,403	6,899	-	-	-	11,362
Fund Balance								
Unreserved for special revenue funds	130,899	1,228	4,657	3,305	1,170	30,555	2,248	174,062
Total Fund Balances	130,899	1,228	4,657	3,305	1,170	30,555	2,248	174,062
Total Liabilities and Fund	\$ 130,899	\$ 1,288	\$ 9,060	\$ 10,204	\$ 1,170	\$ 30,555	\$ 2,248	\$ 185,424

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009**

	Court Automation	Fiesta	FEMA Relief	NM HIDTA	ISC HIDTA	RIDTF HIDTA	Alltell	Subtotals
Assets								
Cash and cash equivalents	\$ 444	\$ 5,382	\$ 12,315	\$ 18,531	\$ 18,982	\$ -	\$ -	\$ 55,654
Investments	-	-	-	-	-	-	-	-
Tax receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	4,385	-	-	-	4,385
Due from other funds	-	-	-	-	-	-	-	-
Total Assets	\$ 444	\$ 5,382	\$ 12,315	\$ 22,916	\$ 18,982	\$ -	\$ -	\$ 60,039
Liabilities								
Accounts payable	\$ 132	\$ -	\$ -	\$ 838	\$ 18,345	\$ -	\$ -	\$ 19,315
Accrued salary	-	-	-	6,637	1,556	-	-	8,193
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	132	-	-	7,475	19,901	-	-	27,508
Fund Balance								
Unreserved for special revenue	312	5,382	12,315	15,441	(919)	-	-	32,531
Total Fund Balances	312	5,382	12,315	15,441	(919)	-	-	32,531
Total Liabilities and Fund Balances	\$ 444	\$ 5,382	\$ 12,315	\$ 22,916	\$ 18,982	\$ -	\$ -	\$ 60,039

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2009**

	Cops Universal Hiring	Safe Routes to School	Humanities	Subtotals - page 1	Subtotals - page 2	Totals
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 395	\$ 131,590	\$ 55,654	\$ 187,639
Investments	-	-	-	52,639	-	52,639
Tax receivable	-	-	-	1,195	-	1,195
Due from other governments	-	-	-	-	4,385	4,385
Due from other funds	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ 395	\$ 185,424	\$ 60,039	\$ 245,858
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 11,362	\$ 19,315	\$ 30,677
Accrued salary	-	-	-	-	8,193	8,193
Due to other funds	796	363	-	-	-	1,159
Total Liabilities	796	363	-	11,362	27,508	40,029
Fund Balance						
Unreserved for special revenue funds	(796)	(363)	395	174,062	32,531	205,829
Total Fund Balances	(796)	(363)	395	174,062	32,531	205,829
Total Liabilities and Fund	\$ -	\$ -	\$ 395	\$ 185,424	\$ 60,039	\$ 245,858

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008**

	Correction Fees	Emergency Medical Services	Fire Protection	Law Enforcement	Lodgers' Tax	Street Improvements	Recreation	Subtotals
Assets								
Cash and cash equivalents	\$ 31,223	\$ 1,768	\$ 2,981	\$ 1,912	\$ 1,510	\$ 15,169	\$ 2,618	\$ 57,181
Investments	102,560	-	-	-	-	-	-	102,560
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total Assets	\$ 133,783	\$ 1,768	\$ 2,981	\$ 1,912	\$ 1,510	\$ 15,169	\$ 2,618	\$ 159,741
Liabilities								
Accounts payable	-	-	8,971	8,215	-	-	47	17,233
Accrued salary	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	-	-	8,971	8,215	-	-	47	17,233
Fund Balance								
Unreserved for special revenue funds	133,783	1,768	(5,990)	(6,303)	1,510	15,169	2,571	142,508
Total Fund Balances	133,783	1,768	(5,990)	(6,303)	1,510	15,169	2,571	142,508
Total Liabilities and Fund Balances	\$ 133,783	\$ 1,768	\$ 2,981	\$ 1,912	\$ 1,510	\$ 15,169	\$ 2,618	\$ 159,741

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008**

	Court Automation	Fiesta	FEMA Relief	NM HIDTA	ISC HIDTA	RIDTF HIDTA	Alltell	Subtotals
Assets								
Cash and cash equivalents	\$ -	\$ 5,790	\$ 23,513	\$ 15,425	\$ -	\$ 1,160	\$ 395	\$ 46,283
Investments	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	7,317	-	-	-	-	-	-	7,317
Total Assets	\$ 7,317	\$ 5,790	\$ 23,513	\$ 15,425	\$ -	\$ 1,160	\$ 395	\$ 53,600
Liabilities								
Accounts payable	\$ 1,981	\$ -	\$ -	\$ 8,662	\$ 4,417	\$ -	\$ -	\$ 15,060
Accrued salary	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Due to other funds	5,336	-	-	-	8,125	-	-	13,461
Total Liabilities	7,317	-	-	8,662	12,542	-	-	28,521
Fund Balance								
Unreserved for special revenue funds	-	5,790	23,513	6,763	(12,542)	1,160	395	25,079
Total Fund Balances	-	5,790	23,513	6,763	(12,542)	1,160	395	25,079
Total Liabilities and Fund Balances	\$ 7,317	\$ 5,790	\$ 23,513	\$ 15,425	\$ -	\$ 1,160	\$ 395	\$ 53,600

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008**

	Cops Universal Hiring	FEMA	Subtotals - page 1	Subtotals - page 2	Totals
Assets					
Cash and cash equivalents	\$ 2,230	\$ -	\$ 57,181	\$ 46,283	\$ 105,694
Investments	-	-	102,560	-	102,560
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	7,317	7,317
Total Assets	\$ 2,230	\$ -	\$ 159,741	\$ 53,600	\$ 215,571
Liabilities					
Accounts payable	\$ -	\$ -	\$ 17,233	\$ 15,060	\$ 32,293
Accrued salary	-	-	-	-	-
Accrued interest	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	13,461	13,461
Total Liabilities	-	-	17,233	28,521	45,754
Fund Balance					
Unreserved for special revenue funds	2,230	-	142,508	25,079	169,817
Total Fund Balances	2,230	-	142,508	25,079	169,817
Total Liabilities and Fund	\$ 2,230	\$ -	\$ 159,741	\$ 53,600	\$ 215,571

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009**

	Correction Fees	Emergency Medical Services	Fire Protection	Law Protection	Lodgers' Tax	Street Improvements	Recreation	Subtotals
Revenue								
State - shared taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,205	\$ 14,486	\$ -	\$ 23,691
Charge for services	18,098	-	-	-	-	-	-	18,098
Interst income	79	-	-	-	-	-	-	79
Miscellaneous income	-	-	-	-	-	900	1,031	1,931
Intergovernmental income	-	8,689	64,350	25,400	-	-	-	98,439
Federal grant	-	-	-	-	-	-	-	-
State grant	-	-	-	-	-	46,776	-	46,776
Total Revenues	18,177	8,689	64,350	25,400	9,205	62,162	1,031	189,014
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	-
Public safety	21,061	9,229	45,073	15,792	-	-	-	91,155
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	9,545	-	1,354	10,899
Capital outlay	-	-	-	-	-	46,776	-	46,776
Total expenditures	21,061	9,229	45,073	15,792	9,545	46,776	1,354	148,830
Excess (deficiency) revenues over	(2,884)	(540)	19,277	9,608	(340)	15,386	(323)	40,184
Other financing sources (uses)								
Debt service principal	-	-	(7,369)	-	-	-	-	(7,369)
Debt service interest	-	-	(1,261)	-	-	-	-	(1,261)
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(8,630)	-	-	-	-	(8,630)
Net change in fund balance	(2,884)	(540)	10,647	9,608	(340)	15,386	(323)	31,554
Fund balance - beginning of year	133,783	1,768	(5,990)	(6,303)	1,510	15,169	2,571	142,508
Fund balance - end of year	\$ 130,899	\$ 1,228	\$ 4,657	\$ 3,305	\$ 1,170	\$ 30,555	\$ 2,248	\$ 174,062

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009**

	<u>Court Automation</u>	<u>Fiesta</u>	<u>Fema Relief</u>	<u>NM HIDTA</u>	<u>ISC HIDTA</u>	<u>RIDTF HIDTA</u>	<u>Alltell</u>	<u>Subtotals</u>
Revenue								
State - shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	-	16,075	-	-	-	-	-	16,075
Interst income	-	-	-	-	-	-	-	-
Miscellaneous income	-	100	-	95	-	-	-	195
Intergovernmental income	29,669	-	-	-	-	-	-	29,669
Federal grant	-	-	-	384,137	345,954	11,476	-	741,567
State grant	-	-	-	-	-	-	-	-
Total Revenues	<u>29,669</u>	<u>16,175</u>	<u>-</u>	<u>384,232</u>	<u>345,954</u>	<u>11,476</u>	<u>-</u>	<u>787,506</u>
Expenditures								
Current								
General Government	22,040	-	-	-	-	-	-	22,040
Public safety	-	-	-	375,554	334,331	12,636	-	722,521
Public works	-	-	11,198	-	-	-	-	11,198
Culture and recreation	-	16,583	-	-	-	-	-	16,583
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>22,040</u>	<u>16,583</u>	<u>11,198</u>	<u>375,554</u>	<u>334,331</u>	<u>12,636</u>	<u>-</u>	<u>772,342</u>
Excess (deficiency) revenues over expenditures	7,629	(408)	(11,198)	8,678	11,623	(1,160)	-	15,164
Other financing sources (uses)								
Debt service principal	-	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(7,317)	-	-	-	-	-	(395)	(7,712)
Total other financing sources (uses)	<u>(7,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(395)</u>	<u>(7,712)</u>
Net change in fund balance	312	(408)	(11,198)	8,678	11,623	(1,160)	(395)	7,452
Fund balance - beginning of year	-	5,790	23,513	6,763	(12,542)	1,160	395	25,079
Fund balance - end of year	<u>\$ 312</u>	<u>\$ 5,382</u>	<u>\$ 12,315</u>	<u>\$ 15,441</u>	<u>\$ (919)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,531</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009**

	Cops Universal Hiring	Safe Routes to School	Humanities	Subtotals - page 1	Subtotals - page 2	Totals
Revenue						
State - shared taxes	\$ -	\$ -	\$ -	\$ 23,691	\$ -	\$ 23,691
Charge for services	-	-	-	18,098	16,075	34,173
Interst income	-	-	-	79	-	79
Miscellaneous income	-	-	-	1,931	195	2,126
Intergovernmental income	-	-	-	98,439	29,669	128,108
Federal grant	-	-	-	-	741,567	741,567
State grant	-	2,052	3,886	46,776	-	52,714
Total Revenues	<u>-</u>	<u>2,052</u>	<u>3,886</u>	<u>189,014</u>	<u>787,506</u>	<u>982,458</u>
Expenditures						
Current						
General Government	-	2,415	3,886	-	22,040	28,341
Public safety	6,082	-	-	91,155	722,521	819,758
Public works	-	-	-	-	11,198	11,198
Culture and recreation	-	-	-	10,899	16,583	27,482
Capital outlay	-	-	-	46,776	-	46,776
Total expenditures	<u>6,082</u>	<u>2,415</u>	<u>3,886</u>	<u>148,830</u>	<u>772,342</u>	<u>933,555</u>
Excess (deficiency) revenues over expenditures	(6,082)	(363)	-	40,184	15,164	48,903
Other financing sources (uses)						
Debt service principal	-	-	-	(7,369)	-	(7,369)
Debt service interest	-	-	-	(1,261)	-	(1,261)
Transfers in	3,056	-	395	-	-	3,451
Transfers out	-	-	-	-	(7,712)	(7,712)
Total other financing sources (uses)	<u>3,056</u>	<u>-</u>	<u>395</u>	<u>(8,630)</u>	<u>(7,712)</u>	<u>(12,891)</u>
Net change in fund balance	(3,026)	(363)	395	31,554	7,452	36,012
Fund balance - beginning of year	<u>2,230</u>	<u>-</u>	<u>-</u>	<u>142,508</u>	<u>25,079</u>	<u>169,817</u>
Fund balance - end of year	<u>\$ (796)</u>	<u>\$ (363)</u>	<u>\$ 395</u>	<u>\$ 174,062</u>	<u>\$ 32,531</u>	<u>\$ 205,829</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008**

	Correction Fees	Emergency Medical Services	Fire Protection	Law Protection	Lodgers' Tax	Street Improvements	Recreation	Subtotals
Revenue								
State - shared taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,880	\$ 24,397	\$ 29	\$ 28,306
Charge for services	31,370	-	-	-	-	-	-	31,370
Interst income	-	-	316	-	-	-	-	316
Miscellaneous income	-	-	237	-	-	-	-	237
Intergovernmental income	-	-	-	-	-	-	-	-
Federal grant	-	-	-	-	-	-	-	-
State grant	-	8,403	66,958	23,600	-	215,109	-	314,070
Total Revenues	31,370	8,403	67,511	23,600	3,880	239,506	29	374,299
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	-
Public safety	35,574	6,524	42,738	1,020	-	-	-	85,856
Public works	-	-	-	-	-	364,823	-	364,823
Culture and recreation	-	-	-	-	18,284	-	3,482	21,766
Capital outlay	-	2,683	17,391	28,886	-	-	-	48,960
Total expenditures	35,574	9,207	60,129	29,906	18,284	364,823	3,482	521,405
Excess (deficiency) revenues over	(4,204)	(804)	7,382	(6,306)	(14,404)	(125,317)	(3,453)	(147,106)
Other financing sources (uses)								
Debt service principal	-	-	(12,783)	-	-	-	-	(12,783)
Debt service interest	-	-	(1,061)	-	-	-	-	(1,061)
Transfers in	-	-	-	-	13,500	84,717	5,000	103,217
Transfers out	-	-	-	-	-	(12,000)	-	(12,000)
Total other financing sources (uses)	-	-	(13,844)	-	13,500	72,717	5,000	77,373
Net change in fund balance	(4,204)	(804)	(6,462)	(6,306)	(904)	(52,600)	1,547	(69,733)
Fund balance - beginning of year	137,987	2,572	472	3	2,414	67,769	1,024	212,241
Fund balance - end of year	<u>\$ 133,783</u>	<u>\$ 1,768</u>	<u>\$ (5,990)</u>	<u>\$ (6,303)</u>	<u>\$ 1,510</u>	<u>\$ 15,169</u>	<u>\$ 2,571</u>	<u>\$ 142,508</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008**

	<u>Court Automation</u>	<u>Fiesta</u>	<u>Fema Relief</u>	<u>NM HIDTA</u>	<u>ISC HIDTA</u>	<u>RIDTF HIDTA</u>	<u>Alltell</u>	<u>Subtotals</u>
Revenue								
State - shared taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	-	17,818	-	-	-	-	-	17,818
Interest income	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	102	334	-	-	436
Intergovernmental income	-	-	-	-	-	-	-	-
Federal grant	-	-	53,626	311,807	278,155	-	-	643,588
State grant	3,706	-	-	-	-	-	-	3,706
Total Revenues	<u>3,706</u>	<u>17,818</u>	<u>53,626</u>	<u>311,909</u>	<u>278,489</u>	<u>-</u>	<u>-</u>	<u>665,548</u>
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	-
Public safety	-	-	-	290,062	307,661	-	-	597,723
Public works	-	-	16,023	-	-	-	-	16,023
Culture and recreation	-	7,987	-	-	-	-	-	7,987
Capital outlay	10,617	9,435	-	16,500	-	-	-	36,552
Total expenditures	<u>10,617</u>	<u>17,422</u>	<u>16,023</u>	<u>306,562</u>	<u>307,661</u>	<u>-</u>	<u>-</u>	<u>658,285</u>
Excess (deficiency) revenues over expenditures	(6,911)	396	37,603	5,347	(29,172)	-	-	7,263
Other financing sources (uses)								
Debt service principal	-	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	-	-	-	-
Transfers in	6,911	-	-	-	-	-	-	6,911
Transfers out	-	-	(14,090)	-	-	-	-	(14,090)
Total other financing sources (uses)	<u>6,911</u>	<u>-</u>	<u>(14,090)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,179)</u>
Net change in fund balance	-	396	23,513	5,347	(29,172)	-	-	84
Fund balance - beginning of year	-	5,394	-	1,416	16,630	1,160	395	24,995
Fund balance - end of year	<u>\$ -</u>	<u>\$ 5,790</u>	<u>\$ 23,513</u>	<u>\$ 6,763</u>	<u>\$ (12,542)</u>	<u>\$ 1,160</u>	<u>\$ 395</u>	<u>\$ 25,079</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
TOWN OF MESILLA
NON-MAJOR GOVERNMENTAL FUND TYPES
SPECIAL REVENUE FUNDS
Combining Statements of Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008**

	Cops Universal Hiring	FEMA	Subtotals - page 1	Subtotals - page 2	Totals
Revenue					
State - shared taxes	\$ -	\$ -	\$ 28,306	\$ -	\$ 28,306
Charge for services	-	-	31,370	17,818	49,188
Interest income	-	-	316	-	316
Miscellaneous income	-	-	237	436	673
Intergovernmental income	-	-	-	-	-
Federal grant	31,038	-	-	643,588	674,626
State grant	-	-	314,070	3,706	317,776
Total Revenues	31,038	-	374,299	665,548	1,070,885
Expenditures					
Current					
General Government	-	-	-	-	-
Public safety	102,703	6,125	85,856	597,723	792,407
Public works	-	-	364,823	16,023	380,846
Culture and recreation	-	-	21,766	7,987	29,753
Capital outlay	-	-	48,960	36,552	85,512
Total expenditures	102,703	6,125	521,405	658,285	1,288,518
Excess (deficiency) revenues over expenditures	(71,665)	(6,125)	(147,106)	7,263	(217,633)
Other financing sources (uses)					
Debt service principal	-	-	(12,783)	-	(12,783)
Debt service interest	-	-	(1,061)	-	(1,061)
Transfers in	73,710	1,051	103,217	6,911	184,889
Transfers out	-	-	(12,000)	(14,090)	(26,090)
Total other financing sources (uses)	73,710	1,051	77,373	(7,179)	144,955
Net change in fund balance	2,045	(5,074)	(69,733)	84	(72,678)
Fund balance - beginning of year	185	5,074	212,241	24,995	242,495
Fund balance - end of year	<u>\$ 2,230</u>	<u>\$ -</u>	<u>\$ 142,508</u>	<u>\$ 25,079</u>	<u>\$ 169,817</u>

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines & Forfeits	\$ 30,500	\$ 30,500	\$ 18,098	\$ (12,402)
Interest income	-	-	79	79
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>18,177</u>	<u>(12,323)</u>
Add: Budget cash	129,283	129,283		
	<u>\$ 159,783</u>	<u>\$ 159,783</u>		
Expenditures:				
Operating expenditures	35,000	35,000	21,061	13,939
Capital outlay	-	-	-	-
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>21,061</u>	<u>13,939</u>
Excess (deficiency) of revenues over expenditures			(2,884)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(2,884)	
Differences between Non-GAAP and Modified GAAP				
Accrued revenue			<u>-</u>	
Net change in fund balance (Modified GAAP)			(2,884)	
Fund balance – Beginning of year			<u>133,783</u>	
Fund balance – End of year			<u>\$ 130,899</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
SPECIAL REVENUE FUND – EMERGENCY MEDICAL SERVICES FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental income	\$ 8,403	\$ 9,739	\$ 8,689	\$ (1,050)
Total revenues	<u>8,403</u>	<u>9,739</u>	<u>8,689</u>	<u>(1,050)</u>
Add: Budget cash	-	-		
	<u>\$ 8,403</u>	<u>\$ 9,739</u>		
Expenditures:				
Operating expenditures	7,656	7,656	7,792	(136)
Capital outlay	747	3,851	1,174	2,677
Total expenditures	<u>8,403</u>	<u>11,507</u>	<u>8,966</u>	<u>2,541</u>
Excess (deficiency) of revenues over expenditures			(277)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(277)	
Differences between Non-GAAP and Modified GAAP				
Adjust accrued expenditures			<u>(263)</u>	
Net change in fund balance (Modified GAAP)			(540)	
Fund balance – Beginning of year			<u>1,768</u>	
Fund balance – End of year			<u>\$ 1,228</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental income	\$ 58,584	\$ 55,517	\$ 55,517	\$ -
Miscellaneous income	-	-	-	-
Total revenues	<u>58,584</u>	<u>55,517</u>	<u>55,517</u>	<u>-</u>
Add: Budget cash	-	-		
	<u>\$ 58,584</u>	<u>\$ 55,517</u>		
Expenditures:				
Operating expenditures	47,780	46,260	35,549	10,711
Capital outlay	10,804	12,919	14,860	(1,941)
Total expenditures	<u>58,584</u>	<u>59,179</u>	<u>50,409</u>	<u>8,770</u>
Excess (deficiency) of revenues over expenditures			5,108	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			5,108	
Differences Between Non-GAAP and Modified GAAP				
Accrued revenue		8,833		
Accrued expenditures		<u>(3,294)</u>	<u>5,539</u>	
Net change in fund balance (Modified GAAP)			10,647	
Fund balance – Beginning of year			<u>(5,990)</u>	
Fund balance – End of year			<u>\$ 4,657</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental income	\$ 25,400	\$ 25,400	\$ 25,400	\$ -
Total revenues	<u>25,400</u>	<u>25,400</u>	<u>25,400</u>	<u>-</u>
Add: Budget cash	-	-		
	<u>\$ 25,400</u>	<u>\$ 25,400</u>		
Expenditures:				
Operating expenditures	13,982	17,982	8,404	9,578
Capital outlay	-	9,330	8,704	626
Total expenditures	<u>13,982</u>	<u>27,312</u>	<u>17,108</u>	<u>10,204</u>
Excess (deficiency) of revenues over expenditures			8,292	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(11,418)	-	-	-
Total other financing sources (uses)	<u>(11,418)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			8,292	
Differences Between Non-GAAP and Modified GAAP				
Accrued expenditure			<u>1,316</u>	
Net change in fund balance (Modified GAAP)			9,608	
Fund balance – Beginning of year			<u>(6,303)</u>	
Fund balance – End of year			<u>\$ 3,305</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local taxes	\$ 20,000	\$ 20,000	\$ 9,205	\$ (10,795)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>9,205</u>	<u>(10,795)</u>
Add: Budget cash	1,510	1,510		
	<u>\$ 21,510</u>	<u>\$ 21,510</u>		
Expenditures:				
Operating expenditures	20,000	20,000	9,545	10,455
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>9,545</u>	<u>10,455</u>
Excess (deficiency) of revenues over expenditures			(340)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(340)	
Differences Between Non-GAAP and Modified GAAP				
Accrued revenue			<u>-</u>	
Net change in fund balance (Modified GAAP)			(340)	
Fund balance – Beginning of year			<u>1,510</u>	
Fund balance – End of year			<u>\$ 1,170</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State-shared taxes	\$ 21,000	\$ 21,000	\$ 13,291	\$ (7,709)
Miscellaneous revenues	-	-	850	850
State grants	245,250	245,250	46,777	(198,473)
Total revenues	<u>266,250</u>	<u>266,250</u>	<u>60,918</u>	<u>(205,332)</u>
Add: Budget cash	<u>30,169</u>	<u>30,169</u>		
	<u>\$ 296,419</u>	<u>\$ 296,419</u>		
Expenditures:				
Operating expenditures	<u>266,250</u>	<u>266,250</u>	46,776	219,474
Total expenditures	<u>266,250</u>	<u>266,250</u>	<u>46,776</u>	<u>219,474</u>
Excess (deficiency) of revenues over expenditures			14,142	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			14,142	
Differences between Non-GAAP and Modified GAAP:				
Accrued revenue		1,244		
Accrued expenditures		<u>-</u>	1,244	
Net change in fund balance (Modified GAAP)			15,386	
Fund balance – Beginning of year			<u>15,169</u>	
Fund balance – End of year			<u>\$ 30,555</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State-shared taxes	\$ 100	\$ 100	\$ -	\$ (100)
Miscellaneous revenue	600	600	1,031	431
Total revenues	<u>700</u>	<u>700</u>	<u>1,031</u>	<u>331</u>
Add: Budget cash	-	-		
	<u>\$ 700</u>	<u>\$ 700</u>		
Expenditures:				
Operating expenditures	1,500	3,318	1,401	1,917
Total expenditures	<u>1,500</u>	<u>3,318</u>	<u>1,401</u>	<u>1,917</u>
Excess (deficiency) of revenues over expenditures			(370)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(370)	
Differences Between Non-GAAP and Modified GAAP:				
Adjust accrued expenditures			<u>47</u>	
Net change in fund balance (Modified GAAP)			(323)	
Fund balance – Beginning of year			<u>2,571</u>	
Fund balance – End of year			<u>\$ 2,248</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State grants	\$ 6,000	\$ 11,336	\$ 29,669	\$ 18,333
Total revenues	<u>6,000</u>	<u>11,336</u>	<u>29,669</u>	<u>18,333</u>
Add: Budget cash	-	-		
	<u>\$ 6,000</u>	<u>\$ 11,336</u>		
Expenditures:				
Operating expenditures	-	18,000	23,889	(5,889)
Capital outlay	6,000	6,000	-	6,000
Total expenditures	<u>6,000</u>	<u>24,000</u>	<u>23,889</u>	<u>111</u>
Excess (deficiency) of revenues over expenditures			5,780	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(7,317)	(7,317)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,317)</u>	<u>(7,317)</u>
Net change in fund balance (Non-GAAP)			(1,537)	
Differences Between Non-GAAP and Modified GAAP:				
Adjust accrued revenue		-		
Adjust accrued expenditures		1,849		
Adjust transfers		<u>-</u>	<u>1,849</u>	
Net change in fund balance (Modified GAAP)			312	
Fund balance – Beginning of year			<u>-</u>	
Fund balance – End of year			<u>\$ 312</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 16,200	\$ 16,200	\$ 16,075	\$ (125)
Miscellaneous income	-	-	100	100
Total revenues	<u>16,200</u>	<u>16,200</u>	<u>16,175</u>	<u>(25)</u>
Add: Budget cash	3,290	3,290		
	<u>\$ 19,490</u>	<u>\$ 19,490</u>		
Expenditures:				
Operating expenditures	16,200	18,700	7,698	11,002
Capital outlay	-	-	8,885	(8,885)
Total expenditures	<u>16,200</u>	<u>18,700</u>	<u>16,583</u>	<u>2,117</u>
Excess (deficiency) of revenues over expenditures			(408)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(408)	
Differences Between Non-GAAP and Modified GAAP:				
Adjust accrued revenue			<u>-</u>	
Net change in fund balance (Modified GAAP)			(408)	
Fund balance – Beginning of year			<u>5,790</u>	
Fund balance – End of year			<u>\$ 5,382</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Add: Budget cash	-	-		
	<u>\$ -</u>	<u>\$ -</u>		
Expenditures:				
Operating expenditures	23,513	23,513	11,198	12,315
Total expenditures	<u>23,513</u>	<u>23,513</u>	<u>11,198</u>	<u>12,315</u>
Excess (deficiency) of revenues over expenditures			(11,198)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(11,198)	
Differences Between Non-GAAP and Modified GAAP:				
Adjust deferred revenue			<u>-</u>	
Net change in fund balance (Modified GAAP)			(11,198)	
Fund balance – Beginning of year			<u>23,513</u>	
Fund balance – End of year			<u>\$ 12,315</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal grants	\$ 209,793	\$ 289,484	\$ 379,752	\$ 90,268
Miscellaneous income	100	100	95	(5)
Total revenues	<u>209,893</u>	<u>289,584</u>	<u>379,847</u>	<u>90,263</u>
Add: Budget cash	15,425	15,425		
	<u>\$ 225,318</u>	<u>\$ 305,009</u>		
Expenditures:				
Personnel services	-	195,337	146,156	49,181
Operating expenditures	99,406	184,663	165,846	18,817
Capital outlay	-	-	64,738	(64,738)
Total expenditures	<u>99,406</u>	<u>380,000</u>	<u>376,740</u>	<u>3,260</u>
Excess (deficiency) of revenues over expenditures			3,107	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			3,107	
Differences Between Non-GAAP and Modified GAAP:				
Adjust accrued revenue		4,385		
Adjust accrued expenditures		<u>1,186</u>	<u>5,571</u>	
Net change in fund balance (Modified GAAP)			8,678	
Fund balance – Beginning of year			<u>6,763</u>	
Fund balance – End of year			<u>\$ 15,441</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal grant	\$ -	\$ 307,117	\$ 345,954	\$ 38,837
Miscellaneous income	-	-	-	-
Total revenues	<u>-</u>	<u>307,117</u>	<u>345,954</u>	<u>38,837</u>
Add: Budget cash	927	927		
	<u>\$ 927</u>	<u>\$ 308,044</u>		
Expenditures:				
Personnel services	-	56,937	45,460	11,477
Operating expenditures	245,422	241,128	273,388	(32,260)
Total expenditures	<u>245,422</u>	<u>298,065</u>	<u>318,848</u>	<u>(20,783)</u>
Excess (deficiency) of revenues over expenditures			27,106	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			27,106	
Differences Between Non-GAAP and Modified GAAP:				
Adjust accrued expenditures			<u>(15,483)</u>	
Net change in fund balance (Modified GAAP)			11,623	
Fund Balance – Beginning of Year			<u>(12,542)</u>	
Fund Balance – End of Year			<u>\$ (919)</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal grants	\$ -	\$ 205,338	\$ 11,476	\$ (193,862)
Total revenues	-	205,338	11,476	(193,862)
Add: Budget cash	1,160	1,160		
	<u>\$ 1,160</u>	<u>\$ 206,498</u>		
Expenditures:				
Operating expenditures	-	205,338	12,636	192,702
Total expenditures	-	205,338	12,636	192,702
Excess (deficiency) of revenues over expenditures			(1,160)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance (Modified GAAP)			(1,160)	
Fund balance – Beginning of year			<u>1,160</u>	
Fund balance – End of year			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Add: Budget cash	395	395		
	<u>\$ 395</u>	<u>\$ 395</u>		
Expenditures:				
Operating expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures			-	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(395)	395
Total other financing sources (uses)	-	-	(395)	395
Net change in fund balance (Modified GAAP)			(395)	
Fund balance – Beginning of year			<u>395</u>	
Fund balance – End of year			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
SPECIAL REVENUE FUND – COPS UNIVERSAL HIRING
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Add: Budget cash	5,286	5,286		
	<u>\$ 5,286</u>	<u>\$ 5,286</u>		
Expenditures:				
Operating expenditures	-	-	6,082	(6,082)
Total expenditures	-	-	6,082	(6,082)
Excess (deficiency) of revenues over expenditures			(6,082)	
Other financing sources (uses):				
Transfers in	-	-	3,056	(3,056)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	3,056	(3,056)
Net change in fund balance (Modified GAAP)			(3,026)	
Fund balance – Beginning of year			<u>2,230</u>	
Fund balance – End of year			<u>\$ (796)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
SPECIAL REVENUE FUND – SAFE ROUTES TO SCHOOL
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>			Favorable (Unfavorable) Difference
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State grant	\$ 15,000	\$ 15,000	\$ 2,052	\$ (12,948)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>2,052</u>	<u>(12,948)</u>
Add: Budget cash	-	-		
	<u>\$ 15,000</u>	<u>\$ 15,000</u>		
Expenditures:				
Personnel expenditures	-	-	1,929	(1,929)
Operating expenditures	15,000	15,000	486	14,514
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>2,415</u>	<u>12,585</u>
Excess (deficiency) of revenues over expenditures			(363)	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Modified GAAP)			(363)	
Fund balance – Beginning of year			<u>-</u>	
Fund balance – End of year			<u>\$ (363)</u>	

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State grant	\$ -	\$ -	\$ 3,886	\$ 3,886
Total revenues	<u>-</u>	<u>-</u>	<u>3,886</u>	<u>3,886</u>
Add: Budget cash	<u>-</u>	<u>-</u>		
	<u>\$ -</u>	<u>\$ -</u>		
Expenditures:				
Operating expenditures	<u>-</u>	<u>-</u>	<u>3,886</u>	<u>(3,886)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>3,886</u>	<u>(3,886)</u>
Excess (deficiency) of revenues over expenditures			-	
Other financing sources (uses):				
Transfers in	-	-	395	(395)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>395</u>	<u>(395)</u>
Net change in fund balance (Modified GAAP)			395	
Fund balance – Beginning of year			<u>-</u>	
Fund balance – End of year			<u>\$ 395</u>	

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECT FUND TYPES

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND TYPES
Combining Balance Sheet
June 30, 2009

	CDBG Improvements	Senior Center	Teen Center	Totals
Assets:				
Cash and cash equivalents	\$ -	\$ 2,397	\$ -	\$ 2,397
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 2,397</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for capital projects	-	2,397	-	2,397
Total fund balance	<u>-</u>	<u>2,397</u>	<u>-</u>	<u>2,397</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 2,397</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND TYPES
Combining Balance Sheet
June 30, 2008

	CDBG Improvements	Senior Center	Teen Center	Totals
Assets:				
Cash and cash equivalents	\$ -	\$ 5,397	\$ -	\$ 5,397
Accounts receivable	-	-	-	-
Due from other governments	-	-	21,192	21,192
Total assets	<u>\$ -</u>	<u>\$ 5,397</u>	<u>\$ 21,192</u>	<u>\$ 26,589</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	21,192	21,192
Total liabilities	<u>-</u>	<u>-</u>	<u>21,192</u>	<u>21,192</u>
Fund balances:				
Reserved for capital projects	-	5,397	-	5,397
Total fund balance	<u>-</u>	<u>5,397</u>	<u>-</u>	<u>5,397</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 5,397</u>	<u>\$ 21,192</u>	<u>\$ 26,589</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND TYPES
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2009

	CDBG			Totals
	Improvements	Senior Center	Teen Center	
Revenues:				
State grant	\$ 25,000	\$ -	\$ -	\$ 25,000
Federal grant	-	-	-	-
Interest revenue	-	-	-	-
Total revenues	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Expenditures:				
General government	25,000	3,000	-	28,000
Total expenditures	<u>25,000</u>	<u>3,000</u>	<u>-</u>	<u>28,000</u>
Excess (deficiency) revenues over expenditure	-	(3,000)	-	(3,000)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(3,000)	-	(3,000)
Fund balance – Beginning of year	<u>-</u>	<u>5,397</u>	<u>-</u>	<u>5,397</u>
Fund balance – End of year	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 2,397</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND TYPES
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2008

	CDBG			Totals
	Improvements	Senior Center	Teen Center	
Revenues:				
State grant	\$ -	\$ 14,210	\$ 24,886	\$ 39,096
Federal grant	-	-	-	-
Interest revenue	-	-	-	-
Total revenues	-	14,210	24,886	39,096
Expenditures:				
Capital outlay	-	16,210	24,886	41,096
Total expenditures	-	16,210	24,886	41,096
Excess (deficiency) revenues over expenditure	-	(2,000)	-	(2,000)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(2,000)	-	(2,000)
Fund balance – Beginning of year	-	7,397	-	7,397
Fund balance – End of year	\$ -	\$ 5,397	\$ -	\$ 5,397

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND – CDBG IMPROVEMENTS
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	Budgeted Amounts		Actual	Favorable (Unfavorable) Difference
	Original	Final		
Revenues:				
State grants	\$ 425,000	\$ 425,000	\$ 25,000	\$ (400,000)
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>25,000</u>	<u>(400,000)</u>
Add: Budget cash	-	-		
	<u>\$ 425,000</u>	<u>\$ 425,000</u>		
Expenditures:				
Operating expenditures	-	-	25,000	(25,000)
Capital outlay	445,000	445,000	-	445,000
Total expenditures	<u>445,000</u>	<u>445,000</u>	<u>25,000</u>	<u>420,000</u>
Excess (deficiency) of revenues over expenditures			-	
Other financing sources (uses):				
Transfers in	20,000	20,000	-	(20,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance (Modified GAAP)			-	
Fund balance – Beginning of year			<u>-</u>	
Fund balance – End of year			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND – SENIOR CENTER
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State grants	\$ 9,500	\$ 9,500	\$ -	\$ (9,500)
Total revenues	<u>9,500</u>	<u>9,500</u>	-	<u>(9,500)</u>
Add: Budget cash	-	-		
	<u>\$ 9,500</u>	<u>\$ 9,500</u>		
Expenditures:				
Operating expenditures	24,897	24,897	3,000	21,897
Total expenditures	<u>24,897</u>	<u>24,897</u>	<u>3,000</u>	<u>21,897</u>
Excess (deficiency) of revenues over expenditures			(3,000)	
Other financing sources (uses):				
Transfers in	10,000	10,000	-	(10,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance			(3,000)	
Fund balance – Beginning of year			<u>5,397</u>	
Fund balance – End of year			<u>\$ 2,397</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
CAPITAL PROJECT FUND – TEEN CENTER
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual (Cash Basis)
For the Year-Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State grants	\$ -	\$ 21,192	\$ 21,192	\$ -
Total revenues	<u>-</u>	<u>21,192</u>	<u>21,192</u>	<u>-</u>
Add: Budget cash	-	-		
	<u>\$ -</u>	<u>\$ 21,192</u>		
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures			21,192	
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			21,192	
Differences between Non-GAAP and Modified GAAP:				
Accrued revenues			<u>(21,192)</u>	
Net change in fund balance (Modified GAAP)			-	
Fund balance – Beginning of year			<u>-</u>	
Fund balance – End of year			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

PROPRIETARY FUND

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales of services and fees:				
Water	\$ 216,000	\$ 231,200	\$ 191,698	\$ (39,502)
Wastewater	174,000	178,000	153,406	(24,594)
Solid Waste	136,500	174,300	189,390	15,090
Connections	-	-	5,091	5,091
Penalties	-	-	4,403	4,403
State-shared taxes	25,000	28,000	20,935	(7,065)
Deposits received	-	-	-	-
Miscellaneous revenues	15,000	18,000	18,864	864
State grants	200,000	302,000	2,636	(299,364)
Interest income	7,000	8,000	343	(7,657)
Total revenues	<u>773,500</u>	<u>939,500</u>	<u>586,766</u>	<u>(352,734)</u>
Add: Beginning cash	<u>188,807</u>	<u>188,807</u>		
	<u>\$ 962,307</u>	<u>\$1,128,307</u>		
EXPENDITURES:				
Water:				
Personnel services	113,989	102,645	104,024	(1,379)
Operating expenses	120,950	123,806	126,083	(2,277)
Capital outlay	-	-	-	-
	<u>234,939</u>	<u>226,451</u>	<u>230,107</u>	<u>(3,656)</u>
Wastewater:				
Personnel services	-	-	5,478	(5,478)
Operating expenses	171,600	174,600	165,942	8,658
	<u>171,600</u>	<u>174,600</u>	<u>171,420</u>	<u>3,180</u>
Solid waste:				
Personnel services	120,455	123,260	99,417	23,843
Operating expenses	131,700	186,541	189,149	(2,608)
Capital outlay	-	-	-	-
	<u>252,155</u>	<u>309,801</u>	<u>288,566</u>	<u>21,235</u>
Water improvement:				
Capital outlay	200,000	308,000	-	308,000
Water rights acquisitions	-	-	-	-
Water rights management	-	-	-	-
Water rights development	-	-	600	(600)
	<u>200,000</u>	<u>308,000</u>	<u>600</u>	<u>307,400</u>
Total expenditures	<u>858,694</u>	<u>1,018,852</u>	<u>690,693</u>	<u>328,159</u>

The accompanying notes are an integral part of these financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Difference</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures			(103,927)	
Other financing sources (uses):				
Transfers in	-	-	195	195
Transfers out	-	-	(195)	(195)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance (Non-GAAP)			(103,927)	
Difference between GAAP and Non-GAAP				
Adjust accrued revenue		(5,966)		
Depreciation expense		(127,765)		
Amortization		5,381		
Adjust for accrued expenses		<u>17,625</u>	<u>(110,725)</u>	
Net change in fund balance (Modified GAAP)			(214,652)	
Fund balance-Beginning of year			<u>1,817,974</u>	
Fund balance-End of year			<u><u>\$ 1,603,322</u></u>	

The accompanying notes are an integral part of these financial statements

AGENCY FUNDS

STATE OF NEW MEXICO
TOWN OF MESILLA
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES FOR THE AGENCY FUNDS
For the Years-Ended June 30,

	Balance 6/30/2007	Receipts	Disbursements	Balance 6/30/2008	Receipts	Disbursements	Balance 6/30/2009
Municipal Court Bonds							
Assets:							
Cash	\$ 9,525	\$ -	\$ 9,525	\$ -	\$ -	\$ -	\$ -
Municipal court bonds	-	13,685	-	13,685	-	10,065	3,620
Total assets	\$ 9,525	\$ -	\$ 9,525	\$ -	\$ -	\$ -	\$ 3,620
Liabilities:							
Held for others	\$ 9,525	\$ 38,038	\$ 33,878	\$ 13,685	\$ 9,587	\$ 19,652	\$ 3,620
Total liabilities	\$ 9,525	\$ 38,038	\$ 33,878	\$ 13,685	\$ 9,587	\$ 19,652	\$ 3,620
 Revolving Loan Fund							
Assets:							
Cash	\$ 15,011	\$ -	\$ 15,011	\$ -	\$ -	\$ -	\$ -
Investments	100,000	-	100,000	-	-	-	-
Accrued interest receivable	890	-	890	-	-	-	-
Total assets	\$ 115,901	\$ -	\$ 115,901	\$ -	\$ -	\$ -	\$ -
Liabilities:							
Held for others	\$ 115,901	\$ 103,803	\$ 219,704	\$ -	\$ -	\$ -	\$ -
Total liabilities	\$ 115,901	\$ 103,803	\$ 219,704	\$ -	\$ -	\$ -	\$ -
 Summary							
Assets:							
Cash	\$ 24,536	\$ -	\$ 24,536	\$ -	\$ -	\$ -	\$ -
Municipal court bonds	-	13,685	-	13,685	-	10,065	3,620
Investments	100,000	-	100,000	-	-	-	-
Accrued Interest Receivable	890	-	890	-	-	-	-
Total Assets	\$ 125,426	\$ 13,685	\$ 125,426	\$ 13,685	\$ -	\$ 10,065	\$ 3,620
Liabilities:							
Held for Others	\$ 125,426	\$ 141,841	\$ 253,582	\$ 13,685	\$ 9,587	\$ 19,652	\$ 3,620
Total Liabilities	\$ 125,426	\$ 141,841	\$ 253,582	\$ 13,685	\$ 9,587	\$ 19,652	\$ 3,620

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
TOWN OF MESILLA
Schedule of Depositories
June 30, 2009

First National Bank	Type	Amount Per Bank	Plus Deposit in Transit	Less O/S Checks	Balance Per Books
General Fund	CK	\$ 297,929	\$ 7,381	\$ 21,378	\$ 283,932
Clearing Account	CK	17,313	32,226	49,041	498
HIDTA Fund	CK	48,373	-	5,661	42,712
Joint Utilities Fund	CK	103,006	-	5,181	97,825
Total government wide		466,621	39,607	81,261	424,967
Municipal Court Bond	CK	3,620	-	-	3,620
Total Cash		<u>\$ 470,241</u>	<u>\$ 39,607</u>	<u>\$ 81,261</u>	<u>\$ 428,587</u>

	<u>Total</u>
Amount Held in Bank June 30, 2009	\$ 470,241
Less FDIC Insurance	250,000
Uninsured Public Funds	<u>220,241</u>
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	110,121
Pledged Security	<u>642,164</u>
Over (Under) Collateral	<u>\$ 532,044</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2009

Security Description	Fair Market Value	Name and Location Of Safe keeper
Dulce NM ISD-FSA INSD, CUSIP # 264430FJ3 Maturing 7/01/12	\$ 386,517	Federal Home Loan Bank Dallas, Texas
MBS FNMA 15-YR Conv 778718, CUSIP # 31404UDX5. Maturing 8/1/12	109,780	Federal Home Loan Bank Dallas, Texas
MBS FHLMC 15-YR M30297, CUSIP #31282CKJ5, Maturing 9/01/12	145,867	Federal Home Loan Bank Dallas, Texas
	<u>\$ 642,164</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
SCHEDULE OF CASH HELD BY STATE TREASURER
June 30, 2009

<u>NMFA</u>		
55 TH SUP	CK	\$ 85
2004B PPRF	CK	14,509
2008 Waterline Ext Project	CK	<u>10,186</u>
		<u><u>\$ 24,780</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Schedule of Grants
June 30, 2009

	<u>Local Grant</u>	<u>State Grant</u>	<u>Federal Grant</u>	<u>Total</u>
NM Department of Finance and Administration, Local Government Division, GF 05-C-R-S-1-6-G-51	\$ -	\$ 25,000	\$ -	\$ 25,000
NM Statehood Steering Committee	-	3,886	-	3,886
New Mexico Aging and Long-Term Services Department, #2005-169	-	-	-	-
New Mexico Department of Transportation, #SP-GA-7613(246)	-	1,995	-	1,995
New Mexico Department of Transportation, #SP-GA-7613(248)	-	1,770	-	1,770
New Mexico Department of Transportation, #SP-GA-7613(249)	-	1,995	-	1,995
New Mexico Department of Transportation, #SP-GA-7613(251)	-	1,790	-	1,790
New Mexico Department of Transportation, #SP-GA-7613(253)	-	10,000	-	10,000
New Mexico Department of Transportation, #SP-GA-5554(202)	-	29,226	-	29,226
New Mexico Department of Transportation, #SRSF 7700(144)	-	2,052	-	2,052
Executive Office of the President, Office of National Drug Control Policy, #I5PSNP575Z	-	-	41,476	41,476
Executive Office of the President, Office of National Drug Control Policy, #I6PSNP575Z	-	-	71,486	71,486
Executive Office of the President, Office of National Drug Control Policy, #I7PSNP575Z	-	-	433,438	433,438
Executive Office of the President, Office of National Drug Control Policy, #I8PSNP575Z	-	-	536,122	536,122
LCPS Grant, FYE 2009	28,000	-	-	28,000
Totals	<u>\$ 28,000</u>	<u>\$ 77,714</u>	<u>\$ 1,082,522</u>	<u>\$ 1,188,236</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TOWN OF MESILLA
Joint Powers Agreements
June 30, 2009

Inmate Housing

Participants: County of Doña Ana and Town of Mesilla
Responsible Party: County of Doña Ana
Description: This agreement was entered into to provide for the housing of prisoners at Doña Ana County Detention Center
Period: July 1, 2008 to June 30, 2009
Project Costs: Town of Mesilla agrees to pay \$87 per day per prisoner
County Contributions: Undeterminable
Audit Responsibility: County of Doña Ana

Wildfire Management – Town of Mesilla

Participants: New Mexico Energy, Minerals and Natural Resources Department and Town of Mesilla
Responsible Party: New Mexico Energy, Minerals and Natural Resources Department
Description: This agreement is to document the commitment to wildfire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.
Period: Perpetual
Project Costs: Undeterminable
County Contributions: Undeterminable
Audit Responsibility: New Mexico Energy, Minerals and Natural Resources Department

Master Fire Cooperative Agreement – Town of Mesilla

Participants: Bureau of Land Management, Department of Interior and Town of Mesilla
Responsible Party: Bureau of Land Management, Department of Interior
Description: To assist with local initial attack operations of short duration.
Period: Perpetual
Project Costs: Undeterminable
County Contributions: Undeterminable
Audit Responsibility: Bureau of Land Management, Department of Interior

STATE OF NEW MEXICO
TOWN OF MESILLA
Joint Powers Agreements
June 30, 2009

Mesilla Valley Regional Dispatch Authority (MVRDA)

Participants: Village of Hatch, Dona Aña County (DAC), City of Las Cruces, Town of Mesilla, City of Sunland Park

Responsible Party: DAC

Description: DAC shall continue to provide space, utilities, and janitorial services for MVRDA, consistent with DAC policies and procedures providing space and services for DAC entities.

Period: Perpetual

Project Costs: Undeterminable

County Contributions: Undeterminable

Audit Responsibility: MVRDA

New Mexico Taxation and Revenue Department (TDR)

Participants: Town of Mesilla and NM Taxation and Revenue Department

Responsible Party: Town of Mesilla

Description: TRD shall provide the Town with the forms and information necessary for the Town to register those businesses operating within the Town for gross receipts tax reporting purposes.

Period: Perpetual

Project Costs: Undeterminable

County Contributions: Undeterminable

Audit Responsibility: Town of Mesilla

STATE OF NEW MEXICO
TOWN OF MESILLA
Memorandum of Agreement
June 30, 2009

Dona Ana Office of the Flood Commissioner

Participants: Town of Mesilla and NM Taxation and Dona Ana Office of the Flood Commissioner

Responsible Party: Dona Ana Office of the Flood Commissioner

Description: The Town shall continue to apply its policies and procedures for zoning ordinances and any other applicable land use regulations. All enforcement of regulations, drainage requirements and zoning ordinances remain with the Town. Dona ana Flood Commission shall act as the Town's flood plain administration agent by reviewing and recommending cases within the limits of the Town's jurisdiction.

Period: Perpetual

Project Costs: Undeterminable

County Contributions: Undeterminable

Audit Responsibility: Town of Mesilla

United States Attorney's Office

Participants: Town of Mesilla and United States Attorney's Office

Responsible Party: Town of Mesilla

Description: The Town contracts with the US Attorney's Office for the employment of several employees. The employees are paid by the Town of Mesilla from HIDTA funds.

Period: Renewing yearly

Project Costs: Salary, benefits and any cost share to the Town.

County Contributions: None

Audit Responsibility: Town of Mesilla

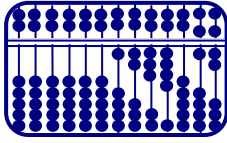
STATE OF NEW MEXICO
TOWN OF MESILLA
Schedule of Expenditures of Federal Awards
June 30, 2009

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Program or Grant Number	Award Amount	Expenditures
Executive Office of the President, Office of National Drug Control Policy	7.999	#I5PSNP575Z	629,829	41,476
Executive Office of the President, Office of National Drug Control Policy	7.999	#I6PSNP575Z	1,011,415	71,486
Executive Office of the President, Office of National Drug Control Policy	7.999	#I7PSNP575Z	1,102,412	433,438
Executive Office of the President, Office of National Drug Control Policy	7.999	#I8PSNP575Z	943,447	536,122
Total			<u>\$3,687,103</u>	<u>\$ 1,082,522</u>

Note 1. Basis of Presentation

The above Schedule of Expenditures of federal awards includes the federal grant activity of the Town of Mesilla and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

COMPLIANCE SECTION



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

**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***

Hector H. Balderas
New Mexico State Auditor
The Board of Trustees
Town of Mesilla, New Mexico

We have audited the financial statements of the governmental activities, each major fund, business-type activities and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and budgetary comparisons presented as supplemental information of the Town of Mesilla as of and for the year-ended June 30, 2009, and have issued our report thereon dated November 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with 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 our auditing procedures for the purpose of expressing our 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course or 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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control. We consider the deficiency described as 08-01, 08-05, and 09-01 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial will not be prevented or detected by the agency'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, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above it is not a material weakness.

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 no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

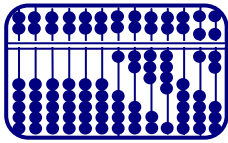
The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, Federal and State Awarding agencies, the Office of the New Mexico State Auditor, the New Mexico State Legislature, and the New Mexico Department of Finance and Administration local governments and is not intended to be and should not be used by anyone other than these specified parties.



Marcus, Fairall, Bristol + Co., L.L.P.
El Paso, Texas

November 19, 2009



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor
The Board of Trustees
Town of Mesilla, New Mexico

Compliance

We have audited the compliance of the Town of Mesilla with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year-ended June 30, 2009. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Mesilla's management. Our responsibility is to express an opinion on the Town of Mesilla's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred. An audit includes the examining, on a test basis, evidence about the Town of Mesilla's compliance with those requirements and performing of such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Mesilla's compliance with those requirements.

In our opinion the Town of Mesilla complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year-ended June 30, 2009

Internal Control Over Compliance

The management of the Town of Mesilla's is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Mesilla's internal control over compliance with requirements that could have a direct and material effect on a major federal program, in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Mesilla's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose of described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined below

A *control deficiency* in an entity's control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Board of Trustees, management, Federal and State Awarding agencies, the Office of the New Mexico State Auditor, the New Mexico State Legislature, and the New Mexico Department of Finance and Administration local governments and is not intended to be and should not be used by anyone other than these specified parties.



Marcus, Fairall, Bristol + Co., L.L.P.
El Paso, Texas

November 19, 2009

**STATE OF NEW MEXICO
TOWN OF MESILLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year-Ended June 30, 2009**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? _____ Yes _____ X No
- Significant deficiency (s) identified that are not considered to be material weaknesses? _____ X Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? _____ Yes _____ X No
- Significant deficiency (s) identified that are not considered to be material weakness (es)? _____ Yes _____ X None reported

Type of auditors’ report issued on compliance with major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes _____ X No

Identification of Major Programs:

CDEFA Number
07.999

Name of Federal Program or Cluster
High Intensity Drug Trafficking Area Funding,
Executive Office of the President, Passed through the
Office of National Drug Control Policy

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee _____ X Yes _____ No

STATE OF NEW MEXICO
TOWN OF MESILLA
Findings and Questioned Costs
June 30, 2009

Section II – Findings – Financial Statements

Prior Year Reportable Findings and Questioned Costs – Financial Statement Findings:

Finding 08-01 Allowance for Doubtful Accounts – Repeated with updates
Finding 08-02 Cash Balance on Trial Balance does not equal Bank Reconciliation – Resolved
Finding 08-03 Depreciation calculated incorrectly – Resolved
Finding 08-04 Audit Report submission to the New Mexico State Auditor – Resolved
Finding 08-05 Failure to Apply GAAP - Repeated

Current Year Reportable Findings and Questioned Costs – Financial statement Findings:

Finding 08-01 Allowance for Doubtful Accounts

Condition

The Town attempted to establish an allowance for doubtful accounts in the Joint Utilities Fund, but the account is incorrect and does not represent an allowance for accounts that may become uncollectible.

Criteria

GASB Statement No. 34, ¶100 states Proprietary Fund revenues should be reported net of allowances with the allowance amount disclosed on the financial statements.

Effect

Uncollectible receivable amounts from customers that are not being charged off. There are balances totaling \$11,047 which have been due from customers for over four months.

Cause

The Town personnel did not realize the actual uncollectible balance due until the current fiscal year. The realization occurred after the implementation of new accounting software.

Recommendation

The Town personnel need to establish a policy for determining an allowance for uncollectible receivables.

Response

Management established a policy for Allowance for Doubtful Accounts in the Joint Utilities Fund with the adoption of Resolution No. 2007-39. However, implementation of the policy has been delayed to allow staff to collect additional past due amounts. Staff will incorporate the policy in the new accounting system for the upcoming fiscal year.

Finding 08-05 Failure to Apply GAAP

Condition

The Town did not maintain adequate accounting records in accordance with accounting principles generally accepted in the United States of America and could not provide complete, accurate, and timely information.

Criteria

Key employees or management should be trained in GAAP principles in recording the Town's financial transactions and in preparing its financial statements (Subsection H, 2.2.2.8 NMAC; SAS 112)

Cause

Key employees need the qualifications and training to apply GAAP principles in preparing the Town's financial statements.

**STATE OF NEW MEXICO
TOWN OF MESILLA
Findings and Questioned Costs
June 30, 2009**

Section II – Findings – Financial Statements (continued)

Finding 08-05 Failure to Apply GAAP (continued)

Effect

The employees need to be able to apply GAAP principles when recording transactions.

Recommendation

We suggest that management ensure that all employees receive training in applying generally accepted accounting principles when recording daily transactions.

Response

Management will continue to provide key employees with appropriate training to implement and apply GAAP principles.

Finding 09-01 Legal Compliance with Budget

Condition

The Town's authorized budget expenditures within several funds were exceeded by actual expenditures. The Town violated state statutes by exceeding the authorized budget within several funds.

Fund	Category	Budget Amount	Actual Amount	Over Expended	Reason
ISC HIDTA	Total expenditures	298,065	318,848	20,783	Actual versus budget expenditures not adequately monitored.
Cops Universal	Total expenditures	-	6,082	6,082	Actual versus budget expenditures not adequately monitored.
Humanities	Total expenditures	-	3,886	3,886	Actual versus budget expenditures not adequately monitored.

Criteria

Section 6-6-6 of the New Mexico State Statues restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payments in excess of the approved budget. County officials and governing authorities have the obligation to follow applicable state statutes.

Effect

Non-compliance with New Mexico State Statues could subject officials and employees to penalties and fines required by state statutes.

Cause

Management failed to monitor the expenses and compare them to the budget.

Recommendation

We suggest that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions

Response

Management will monitor expenditures and budget to ensure compliance.

STATE OF NEW MEXICO
TOWN OF MESILLA
Findings and Questioned Costs
June 30, 2009

Section III – Findings – Major Federal Award Program Audit

Prior Year Reportable Findings and Questioned Costs – Major Federal Award Program:

Finding 08-06 Failure to Submit the Required Data Collection Form - Resolved

Current Year Reportable Findings and Questioned Costs – Major Federal Award Program:

07.999 High Intensity Drug Trafficking Area Funding; Executive Office of the President passed through the Office of National Drug Control Policy

No current year findings noted.

STATE OF NEW MEXICO
TOWN OF MESILLA
Exit Conference
June 30, 2009

EXIT CONFERENCE

As exit conference was held on November 19, 2009, with Jack Fairall, CPA of Marcus, Fairall, Bristol & Co., L.L.P. and the following Town officials:

Michael Cadena
Juan Fuentes
Linda Goff

Mayor
Town Clerk
Deputy Treasurer

COMPILATION OF FINANCIAL STATEMENTS

The financial statements presented in this report were compiled by the auditors, Marcus, Fairall, Bristol, + Co., L.L.P. However, the contents of the financial statements remain the responsibility of management.