

STATE OF NEW MEXICO

Town of Red River



ANNUAL FINANCIAL REPORT

JUNE 30, 2012

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
Town of Red River
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

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STATE OF NEW MEXICO

Town of Red River

OFFICIAL ROSTER

June 30, 2012

Town Council

Name	Title
Linda Calhoun	Mayor
Jeff Brown	Council Member
Cori Jenkins	Council Member
Ben Richey	Council Member
George Woerndle	Council Member

Town Officials

Name	Title
Russell Church	Town Administrator
Georgiana Rael	Town Clerk/Director of Finance
Jack Griffin	Municipal Judge

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Town Council
Town of Red River
Red River, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of the general fund and major special revenue funds of the Town of Red River (the "Town") as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. We also have audited the financial statements and budgetary comparison statements of each of the Town's non-major governmental funds and the budgetary comparisons for the major capital projects fund, and the enterprise fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of Town of Red River's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Red River as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison statements for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Town of Red River as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison statements for each non-major governmental fund, the major capital projects fund, and the enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2012 on our consideration of the Town of Red River'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.

Where Quality & Accuracy Count

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Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13-20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Red River's basic financial statements, the combining and individual fund financial statements, and the budgetary comparison statements. The accompanying financial information listed as supporting Schedules I and II in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Red River. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Precision Accounting, LLC

Precision Accounting, LLC

Albuquerque, New Mexico

October 4, 2012

Where Quality & Accuracy Count

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Town of Red River
Management's Discussion and Analysis
for the Year Ended June 30, 2012
Unaudited

As management of Town of Red River, we offer readers of Town of Red River financial statements this narrative overview and analysis of the financial activities of Town of Red River for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the financial statements of Town of Red River and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of Town of Red River exceeded its liabilities at the close of the most recent fiscal year by \$11,163,285 (*net assets*). Of this amount, \$41,238 (*unrestricted net assets*) is obligated to citizens and creditors.
- The government's total net assets decreased by \$332,314 during the fiscal year. The majority of this decrease is due to a decrease in grants for governmental activities.
- As of June 30, 2012, the Town's governmental funds reported combined ending fund balances of \$1,477,476. Of this total, \$471,936 is restricted for capital projects and \$115,013 is restricted for debt service.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Red River's basic financial statements. Town of Red River's basic financial statements comprise 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 Red River's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Town of Red River'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 Red River 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 taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Town of Red River 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 Red River include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Town include Sewer.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

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. The Town of Red River, 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 Red River can be divided into three categories: governmental funds, 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 of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information

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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 Red River maintains twenty-three individual governmental funds organized according to their type (special revenue, debt Service 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, Local Government Corrections Fund, Lodger's Tax Fund, Transportation Fund, Advanced Life Support Fund and Grants Fund, all of which are considered to be major funds. Data from the other seventeen 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 Red River adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Local Government Corrections Fund, Lodger's Tax Fund, Transportation Fund, FIRE/EMS Fund and Grants 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 D-3 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the Town charges customers either outside customers or internal units or departments of the Town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains three types of proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Town of Red River's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 47-62 of this report.

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 72-105 of this report.

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Town of Red River
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the third year that the Town has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements –and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Assets

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 Red River, assets exceeded liabilities by \$11,291,784 at the close of the current fiscal year.

The largest portion of Town of Red River's net assets represents the Town's investment of \$9,960,718 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. Town of Red River uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Town of Red River'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.

**Statement of Net Assets
For the Year Ended June 30, 2012**

	June 30, 2012			June 30, 2011		
	Governmental	Business Type	Total	Governmental	Business Type	Total
Assets						
Current and other assets	\$ 1,638,008	\$ 363,952	\$ 2,001,960	\$ 1,206,761	\$ 393,053	\$ 1,576,452
Capital assets, net of accumulated depreciation	8,538,776	1,821,022	10,176,784	9,310,605	2,114,144	11,424,749
Total Assets	<u>10,176,784</u>	<u>2,184,974</u>	<u>12,361,758</u>	<u>10,517,366</u>	<u>2,507,197</u>	<u>13,001,201</u>
Liabilities						
Long-term liabilities outstanding	801,963	78,886	880,849	906,753	94,146	1,000,899
Other Liabilities	289,374	28,250	317,624	268,602	20,668	289,270
Total Liabilities	<u>1,091,337</u>	<u>28,250</u>	<u>1,198,473</u>	<u>1,175,355</u>	<u>114,814</u>	<u>1,290,169</u>
Net Assets						
Invested in capital assets, net of related debt	8,283,175	1,753,293	10,036,468	8,492,540	2,038,394	10,530,934
Restricted	1,085,579	-	1,085,579	429,921	-	429,921
Unrestricted	(283,307)	324,545	41,238	419,550	353,989	750,177
Total Net Assets	<u>9,085,447</u>	<u>2,077,838</u>	<u>11,163,285</u>	<u>9,342,011</u>	<u>2,392,383</u>	<u>11,711,032</u>
Total Liabilities and Net Assets	<u>\$ 10,176,784</u>	<u>\$ 2,184,974</u>	<u>\$ 12,361,758</u>	<u>\$ 10,517,366</u>	<u>\$ 2,507,197</u>	<u>\$ 13,001,201</u>

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A portion of Town of Red River's net assets represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

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

The Town of Red River's net assets decreased by \$442,610 during the current fiscal year. This decrease is explained in the government and business-type activities discussion below and is primarily a result of decreased expenditures during the fiscal year.

**Changes in Net Assets
For the Year Ended June 30, 2012**

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 748,638	\$ 1,099,252	\$ 1,847,890
Operating grants and contributions	429,972	-	429,972
Capital Grants	98,029	-	98,029
General Revenue			
Property Tax	313,312	-	313,312
Franchise Tax	93,423	-	93,423
Gross Receipts Tax	1,216,464	-	1,216,464
Motor Vehicle and Fuel Tax	570,012	-	570,012
Misc revenues	146,143	130,394	276,537
Unrestricted Investments earnings	885	-	885
Total Revenue	\$ 3,616,878	\$ 1,229,646	\$ 4,846,524
<u>Expenses</u>			
General Government	822,891	-	822,891
Public Safety	1,238,014	-	1,238,014
Culture and Recreation	911,243	-	911,243
Health and Welfare	604,323	-	604,323
Public Works	383,635	-	383,635
Interest on Long-term debt	19,333	-	19,333
Business-type activities	-	1,513,944	1,513,944
Total Expenses	\$ 3,979,439	\$ 1,513,944	\$ 5,493,383
(Decrease) Increase in Assets before transfer	(362,561)	(284,298)	(646,859)
Transfers	30,247	(30,247)	-
(Decrease) Increase in Net Assets	(332,314)	(314,545)	(646,859)
Net Assets, Beginning of Year	\$ 9,417,761	\$ 2,392,383	\$ 11,810,144
Ending Net Assets	\$ 9,085,447	\$ 2,077,838	\$ 11,163,285

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Governmental activities: Governmental activities decreased The Town of Red River's net assets by \$128,065. The key element of this decrease was revenues, primarily charges for services and operating grants and contributions, increasing to a greater extent than expenditures.

Business-type activities: Business-type activities decreased the Town's net assets by \$314,545. The key element of this decrease was the increase of operating expenses.

**Changes in Net Assets
For the Year Ended June 30, 2011**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 1,326,768	\$ 1,167,681	\$ 2,494,449
Operating grants and contributions	296,351	-	296,351
Capital Grants	285,783	-	285,783
General Revenue			
Property Tax	295,290	-	295,290
Franchise Tax	52,193	-	52,193
Gross Receipts Tax	1,131,305	-	1,131,305
Motor Vehicle and Fuel Tax	555,715	-	555,715
Misc revenues	72,544	-	72,544
Unrestricted Investments earnings	16	29,137	29,153
Total Revenue	\$ 4,015,965	\$ 1,196,818	\$ 5,212,783
<u>Expenses</u>			
General Government	741,376	-	741,376
Public Safety	1,216,356	-	1,216,356
Culture and Recreation	901,856	-	901,856
Health and Welfare	526,117	-	526,117
Public Works	472,559	-	472,559
Interest on Long-term debt	18,070	-	18,070
Business-type activities	-	1,399,959	1,399,959
Total Expenses	\$ 3,876,334	\$ 1,399,959	\$ 5,276,293
(Decrease) Increase in Assets before transfer	139,631	(203,141)	(63,510)
Transfers	(22,696)	22,696	-
(Decrease) Increase in Net Assets	116,935	(180,445)	(63,510)
Net Assets, Beginning of Year (restated)	<u>\$ 9,225,076</u>	<u>\$ 2,572,828</u>	<u>\$ 11,797,904</u>
Ending Net Assets	<u>\$ 9,342,011</u>	<u>\$ 2,392,383</u>	<u>\$ 11,734,394</u>

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FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental funds. The focus of Town of Red River'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 Red River'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, Debt Service Funds and Capital Project Funds.

As of the end of the current fiscal year, Town of Red River's governmental funds reported combined ending fund balances of \$1,477,476, an increase of \$356,924 in comparison with the prior year. \$1,120,552 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

Revenues for governmental activities overall totaled \$4,022,503 in the fiscal year ended June 30, 2012, which represents a decrease of \$38,022 from the fiscal year ended June 30, 2011. Expenditures for governmental activities, totaling \$3,667,615, increased by \$61,621 from the fiscal year ended June 30, 2011. In the fiscal year ended June 30, 2011, revenues exceeded expenditures by \$345,888.

The General Fund is the chief operating fund of Town of Red River. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$554,037, while total fund balance was \$554,037.

The fund balance of Town of Red River's general fund increased by \$107,190 during the current fiscal year due to revenues in excess of expenditures. Overall, the general fund's performance resulted in revenues over expenditures in the fiscal year ended June 30, 2012 due to an increase in general revenue.

Lodgers' Tax Fund. The Lodgers' Tax Fund has a fund balance \$230,586. The net increase in fund balance for the current year was \$6,527. The net increase in fund balance is due primarily to an increase in revenues.

Transportation Fund. The Transportation Fund has a fund balance of \$18,506. The net increase in fund balance for the year was \$28,969. The increase was primarily due grant reimbursements.

Grants Fund. The Grants Fund has a fund deficit of (\$132,740). This deficit is \$2,862 more than the fiscal year ended June 30, 2011.

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 Sewer, Solid Waste, and Water were \$161,986, \$123,677, and \$38,883, respectively. The total decrease in net assets for the proprietary funds was \$324,545. Factors concerning the finances of this fund have been addressed previously in the discussion of the Town's business-type activities.

General Fund 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, Town of Red River utilizes goals and objectives defined by the Town Councilors, 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.

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GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

Final Budget	Actual non-GAAP Cash Basis	Favorable (Unfavorable) Variance
\$1,741,487	\$1,523,729	\$217,758

The Town's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year.

General Fund	\$ -
Other Funds	<u>57,791</u>
Total	<u>\$ 57,791</u>

The Capital Project Funds (non-major) are not included in the original budget which is submitted to the Department of Finance and Administration (DFA). These funds are spent on a project-by-project basis so the budgets are constantly changing. Instead, the budgets for these funds are created during the year through budget adjustment requests (BARs).

Capital Asset and Debt Administration

Capital assets. Town of Red River's capital assets for its governmental and business-type activities as of June 30, 2012 amount to \$8,680,236 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment and vehicles. The total decrease in the Town's capital assets (excluding accumulated depreciation) for the current fiscal year was \$482,446 for governmental activities due primarily to increases in infrastructure, equipment and vehicles. There was a decrease (excluding accumulated depreciation) in business-type capital assets in the amount of \$42,201 during the current fiscal year.

**Capital Assets, Net of Depreciation
June 30, 2012**

	Governmental Activities	Business Type Activities	Total
Infrastructure	\$ 2,344,331	\$ -	\$ 2,344,331
Land	2,161,627	-	2,161,627
Buildings and improvements	4,253,553	7,883,425	12,136,978
Machinery and equipment	1,993,444	326,473	2,319,917
Vehicles	2,238,809	418,706	2,657,515
Total capital assets	<u>12,991,764</u>	<u>8,628,604</u>	<u>21,620,368</u>
Accumulated depreciation	<u>(6,132,550)</u>	<u>(6,807,582)</u>	<u>(12,940,132)</u>
Capital assets, net of accumulated depreciation	<u>\$ 6,859,214</u>	<u>\$ 1,821,022</u>	<u>\$ 8,680,236</u>

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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 5 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, the Town of Red River had total long-term obligations outstanding of \$834,887. Of this amount, \$280,000 is revenue bonds with the gross revenue from utility operations pledged to pay the payments.

**Outstanding Debt
As of June 30, 2012**

	Governmental Activities	Business Type Activities	Total
Revenue Bonds	\$ 280,000	\$ -	\$ 280,000
NMFA notes	603,601	67,729	671,330
Accrued compensated absences	60,560	19,224	79,784
Total long-term liabilities	<u>\$ 944,161</u>	<u>\$ 86,953</u>	<u>\$ 1,031,114</u>

Long-term debt additions and retirements related to notes and capital leases for governmental activities for the current year were \$284,103 and \$332,552 respectively. Accrued compensated absences additions and retirements were \$45,805 and \$40,202, respectively, for governmental activities. Business type activities accrued compensated absences additions and retirements were \$21,799 and \$19,570, respectively.

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding Town of Red River's long-term debt.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.

The above factors were considered in preparing the Town of Red River's budget for the 2012 fiscal year. There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the Town's financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Red River'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: Town of Red River Administration, Town of Red River, P.O. Box 1020, Red River, New Mexico, 87558.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF NET ASSETS
June 30, 2012

Exhibit A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,185,451	\$ 306,501	\$ 1,491,952
Investments	94,177	242	94,419
Taxes receivable	35,811	-	35,811
Internal balances	-	-	-
Accounts receivable	316,536	57,209	373,745
Inventory	6,033	-	6,033
	<u>1,638,008</u>	<u>363,952</u>	<u>2,001,960</u>
Total Current Assets			
Noncurrent Assets			
Capital assets	14,671,326	8,628,604	23,299,930
Less: accumulated depreciation	<u>(6,132,550)</u>	<u>(6,807,582)</u>	<u>(12,940,132)</u>
	<u>8,538,776</u>	<u>1,821,022</u>	<u>10,359,798</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 10,176,784</u>	<u>\$ 2,184,974</u>	<u>\$ 12,361,758</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF NET ASSETS
June 30, 2012

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 72,613	\$ 7,793	\$ 80,406
Accrued salaries and wages	64,557	11,031	75,588
Accrued interest	10,006	-	10,006
Deferred Revenue	-	1,359	1,359
Current portion of bonds and loans payable	142,198	8,067	150,265
Total Current Liabilities	289,374	28,250	317,624
Noncurrent Liabilities			
Bonds payable	230,000	-	230,000
Accrued Compensated Absences	60,560	19,224	79,784
Loans and notes payable	511,403	59,662	571,065
Total Noncurrent Liabilities	801,963	78,886	880,849
Total Liabilities	1,091,337	107,136	1,198,473
Net Assets			
Invested in capital assets, net of related debt	8,283,175	1,753,293	10,036,468
Restricted for:			
Debt Service	158,266	-	158,266
Capital Project Funds	404,258	-	404,258
Special Revenue Funds	523,055	-	523,055
Unrestricted	(283,307)	324,545	41,238
Total Net Assets	9,085,447	2,077,838	11,163,285
Total Net Assets and Liabilities	\$ 10,176,784	\$ 2,184,974	\$ 12,361,758

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2012

Exhibit A-2

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
General government	\$ 822,891	\$ 144,734	\$ 86,753
Public safety	1,238,014	422,056	64,411
Public works	383,635	25	265,399
Culture and recreation	911,243	571	13,409
Health and welfare	604,323	181,252	-
Interest on long-term debt	19,333	-	-
	<u>3,979,439</u>	<u>748,638</u>	<u>429,972</u>
<i>Total governmental activities</i>			
Business-type Activities:			
Sewer/AWWT	697,371	427,500	-
Solid Waste	407,337	338,968	-
Water	409,236	332,784	-
	<u>1,513,944</u>	<u>1,099,252</u>	<u>-</u>
<i>Total business type activities</i>			
	<u>\$ 5,493,383</u>	<u>\$ 1,847,890</u>	<u>\$ 429,972</u>
General Revenues:			
Taxes			
Property taxes, levied for general purposes			
Property taxes, levied for debt service			
Property taxes, levied for capital projects			
Franchise taxes			
Gross receipts taxes			
Public service taxes			
Interest income			
Transfers			
Miscellaneous income			
Total General Revenues and Transfers			
Excess (deficiency) of revenues over expenses			
Change in net assets			
Net assets, beginning			
Restatement-Note 18			
Net assets-beginning as restated			
Net assets, ending			

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2012

Exhibit A-2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ 8,925	\$ (582,479)	\$ -	\$ (582,479)
-	(751,547)	-	(751,547)
(4,250)	(122,461)	-	(122,461)
93,354	(803,909)	-	(803,909)
-	(423,071)	-	(423,071)
-	(19,333)	-	(19,333)
<u>98,029</u>	<u>(2,702,800)</u>	<u>-</u>	<u>(2,702,800)</u>
-	-	(269,871)	(269,871)
-	-	(68,369)	(68,369)
-	-	(76,452)	(76,452)
<u>-</u>	<u>-</u>	<u>(414,692)</u>	<u>(414,692)</u>
<u>\$ 98,029</u>	<u>\$ (2,702,800)</u>	<u>\$ (414,692)</u>	<u>\$ (3,117,492)</u>
	313,312	-	313,312
	-	-	-
	-	-	-
	93,423	-	93,423
	1,216,464	-	1,216,464
	570,012	-	570,012
	885	-	885
	30,247	(30,247)	-
	146,143	130,394	276,537
	<u>2,370,486</u>	<u>100,147</u>	<u>2,470,633</u>
	(332,314)	(314,545)	(646,859)
	(332,314)	(314,545)	(646,859)
	9,342,011	2,392,383	11,734,394
	75,750	-	75,750
	<u>9,417,761</u>	<u>2,392,383</u>	<u>11,810,144</u>
	<u>\$ 9,085,447</u>	<u>\$ 2,077,838</u>	<u>\$ 11,163,285</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	<u>General Fund</u>	<u>Local Government Corrections Fund</u>	<u>Lodgers' Tax Fund</u>	<u>Transportation Grant Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 353,027	\$ 7,888	\$ 182,881	\$ 21,691
Investments	226	-	-	-
Accounts and taxes receivable	95,481	-	-	-
Other receivables	-	-	50,140	-
Due from other funds	205,847	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 654,581</u>	<u>\$ 7,888</u>	<u>\$ 233,021</u>	<u>\$ 21,691</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 48,622	\$ -	\$ 2,435	\$ 954
Accrued salaries and benefits	28,560	-	-	2,231
Accrued compensated absences	-	-	-	-
Deferred revenue	23,362	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>100,544</u>	<u>-</u>	<u>2,435</u>	<u>3,185</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	7,888	230,586	18,506
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	554,037	-	-	-
<i>Total fund balances</i>	<u>554,037</u>	<u>7,888</u>	<u>230,586</u>	<u>18,506</u>
<i>Total liabilities and fund balances</i>	<u>\$ 654,581</u>	<u>\$ 7,888</u>	<u>\$ 233,021</u>	<u>\$ 21,691</u>

Fire/EMS Donations Fund	Grants Fund	Other Governmental Funds	Total
\$ -	\$ -	\$ 619,964	\$ 1,185,451
10,868	-	83,083	94,177
163,960	13,602	3,419	276,462
-	-	25,745	75,885
-	-	-	205,847
-	-	6,033	6,033
<u>\$ 174,828</u>	<u>\$ 13,602</u>	<u>\$ 738,244</u>	<u>\$ 1,843,855</u>
\$ -	\$ 3,898	\$ 16,704	\$ 72,613
25,236	-	8,530	64,557
-	-	-	-
-	-	-	23,362
63,403	142,444	-	205,847
<u>88,639</u>	<u>146,342</u>	<u>\$ 25,234</u>	<u>366,379</u>
-	-	-	-
86,189	(132,740)	126,061	336,490
-	-	471,936	471,936
-	-	115,013	115,013
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	554,037
<u>86,189</u>	<u>(132,740)</u>	<u>713,010</u>	<u>1,477,476</u>
<u>\$ 174,828</u>	<u>\$ 13,602</u>	<u>\$ 738,244</u>	<u>\$ 1,843,855</u>

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STATE OF NEW MEXICO

TOWN OF RED RIVER

GOVERNMENTAL FUNDS

RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2012

Exhibit B-1

Page 2 of 2

Amounts reported for governmental activities in the statements of net assets are different because:

Fund balances - total governmental funds	\$	1,477,476
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		8,538,776
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		23,362
Accrued interest		(10,006)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(944,161)</u>
Net assets of governmental activities	\$	<u>9,085,447</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ending June 30, 2012

	General Fund	Local Government Corrections Fund	Lodgers' Tax Fund	Transportation Grant Fund
<i>Revenues:</i>				
Taxes	\$ 1,156,878	\$ -	\$ 548,480	\$ 58,000
Intergovernmental Income	55,529	-	-	87,377
Charges for Services	230,047	-	-	-
Licenses and Fees	147,610	740	-	571
Investment Income (Loss)	-	-	-	-
Miscellaneous	65,098	-	-	-
	<u>1,655,162</u>	<u>740</u>	<u>548,480</u>	<u>145,948</u>
<i>Expenditures:</i>				
Current:				
General Government	553,954	-	-	-
Public Safety	825,077	-	-	-
Public Works	2,364	-	-	-
Culture and Recreation	62,772	-	327,953	136,979
Health and Welfare	113,731	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>1,557,898</u>	<u>-</u>	<u>327,953</u>	<u>136,979</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>97,264</u>	<u>740</u>	<u>220,527</u>	<u>8,969</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	20,000
Transfers (Out)	(9,789)	-	(214,000)	-
<i>Total other financing sources (uses)</i>	<u>(9,789)</u>	<u>-</u>	<u>(214,000)</u>	<u>20,000</u>
<i>Net change in fund balance</i>	87,475	740	6,527	28,969
<i>Fund balance - beginning of year</i>	<u>446,984</u>	<u>7,148</u>	<u>224,059</u>	<u>(10,463)</u>
<i>Fund balance - end of year</i>	<u>\$ 534,459</u>	<u>\$ 7,888</u>	<u>\$ 230,586</u>	<u>\$ 18,506</u>

Fire/EMS Donations Fund	Grants Fund	Other Governmental Funds	Total
\$ -	\$ -	\$ 478,525	\$ 2,241,883
-	272,532	81,667	497,105
-	-	259,279	489,326
-	1,677	-	150,598
68	-	817	885
479,500	-	98,108	642,706
<u>479,568</u>	<u>274,209</u>	<u>918,396</u>	<u>4,022,503</u>
-	74,303	-	628,257
362,652	3,898	65,711	1,257,338
-	198,870	342,177	543,411
-	-	337,204	864,908
-	-	197,521	311,252
-	-	-	-
-	-	-	-
-	-	62,586	62,586
<u>362,652</u>	<u>277,071</u>	<u>1,005,199</u>	<u>3,667,752</u>
<u>116,916</u>	<u>(2,862)</u>	<u>(86,803)</u>	<u>354,751</u>
-	-	186,247	206,247
-	-	-	(223,789)
-	-	186,247	(17,542)
116,916	(2,862)	99,444	337,209
<u>(30,727)</u>	<u>(129,878)</u>	<u>613,566</u>	<u>1,120,689</u>
<u>\$ 86,189</u>	<u>\$ (132,740)</u>	<u>\$ 713,010</u>	<u>\$ 1,457,898</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER

RECONCILIATION OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2012

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

Net change in fund balances - total governmental funds	\$	337,209
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Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital additions from construction in progress and borrowings		-
Capital expenditures		(470,889)
Depreciation expense		(289,383)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes		9,328
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Decrease in Accrued compensated absences		603
Decrease in accrued interest		16,379
Principal payments on notes payable		235,801
Borrowings of notes payable		(216,362)
Principal payments on Bonds payable		45,000
		45,000

Change in net assets of governmental activities	\$	(332,314)
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STATE OF NEW MEXICO
TOWN OF RED RIVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,047,500	\$ 1,047,500	\$ 1,153,975	\$ 106,475
Intergovernmental Income	64,349	64,349	55,529	(8,820)
Charges For Services	235,910	235,910	217,646	(18,264)
Licenses and Fees	186,600	186,600	159,168	(27,432)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	71,000	71,000	44,716	(26,284)
<i>Total revenues</i>	<u>1,605,359</u>	<u>1,605,359</u>	<u>1,631,034</u>	<u>25,675</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	548,616	590,629	513,168	77,461
Public Safety	867,947	867,947	825,937	42,010
Public Works	1,000	16,000	2,364	13,636
Culture and Recreation	63,125	70,547	63,498	7,049
Health and Welfare	127,223	196,364	118,899	77,465
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,607,911</u>	<u>1,741,487</u>	<u>1,523,866</u>	<u>217,621</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,552)</u>	<u>(136,128)</u>	<u>107,168</u>	<u>243,296</u>
<i>Other financing sources (uses)</i>				
Designated Cash	2,552	136,128	-	(136,128)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,552</u>	<u>136,128</u>	<u>-</u>	<u>(136,128)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>107,168</u>	<u>107,168</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>451,795</u>	<u>451,795</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,963</u>	<u>\$ 558,963</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 107,168	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			42,776	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(52,680)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 97,264</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
LOCAL GOVERNMENT CORRECTIONS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	2,900	2,900	740	(2,160)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	3,000	3,000	740	(2,260)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	3,000	3,000	-	3,000
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,000	3,000	-	3,000
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	740	740
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	740	740
<i>Cash Balance - Beginning of Year</i>	-	-	7,148	7,148
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 7,888	\$ 7,888
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 740	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 740	

STATE OF NEW MEXICO
TOWN OF RED RIVER
LODGERS TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes	\$ 490,000	\$ 490,000	\$ 550,065	\$ 60,065
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>490,000</u>	<u>490,000</u>	<u>550,065</u>	<u>60,065</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	348,390	363,390	326,508	36,882
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>348,390</u>	<u>363,390</u>	<u>326,508</u>	<u>36,882</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>141,610</u>	<u>126,610</u>	<u>223,557</u>	<u>96,947</u>
<i>Other financing sources (uses)</i>				
Designated Cash	72,390	87,390	-	(87,390)
Transfers Out	(214,000)	(214,000)	(214,000)	-
Transfers In	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(141,610)</u>	<u>(126,610)</u>	<u>(214,000)</u>	<u>(87,390)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	9,557	9,557
<i>Cash Balance - Beginning of Year</i>	-	-	173,324	173,324
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,881</u>	<u>\$ 182,881</u>
<i>Excess (deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ 223,557	
<i>Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals</i>			(1,585)	
<i>Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals</i>			<u>(1,445)</u>	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 220,527</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
TRANSPORTATION GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 58,000	\$ 58,000	\$ 58,000	\$ -
Intergovernmental Income	100,311	100,311	87,377	(12,934)
Charges For Services	-	-	-	-
Licenses and Fees	500	500	571	71
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	158,811	158,811	145,948	(12,863)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	153,333	153,333	135,968	17,365
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	153,333	153,333	135,968	17,365
<i>Excess (deficiency) of revenues over expenditures</i>	5,478	5,478	9,980	4,502
<i>Other financing sources (uses)</i>				
Designated Cash	(5,478)	(5,478)	-	5,478
Transfers In	-	-	-	-
Transfers Out	-	-	20,000	20,000
<i>Total other financing sources (uses)</i>	(5,478)	(5,478)	20,000	25,478
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	29,980	29,980
<i>Cash Balance - Beginning of Year</i>	-	-	(8,289)	(8,289)
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 21,691	\$ 21,691
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 9,980	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(1,011)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 8,969	

STATE OF NEW MEXICO
TOWN OF RED RIVER
FIRE/EMS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	300	300	68	(232)
Miscellaneous	313,275	350,600	563,242	212,642
<i>Total revenues</i>	<u>313,575</u>	<u>350,900</u>	<u>563,310</u>	<u>212,410</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	352,505	353,005	353,004	1
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>352,505</u>	<u>353,005</u>	<u>353,004</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(38,930)</u>	<u>(2,105)</u>	<u>210,306</u>	<u>212,411</u>
<i>Other financing sources (uses)</i>				
Designated Cash	38,930	2,105	-	(2,105)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>38,930</u>	<u>2,105</u>	<u>-</u>	<u>(2,105)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	210,306	210,306
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>(262,841)</u>	<u>(262,841)</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,535)</u>	<u>\$ (52,535)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 210,306	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(83,742)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>(9,648)</u>	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 116,916</u>	

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STATE OF NEW MEXICO
TOWN OF RED RIVER
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Sewer/ AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Assets</i>				
<i>Current assets</i>				
Cash	\$ 158,142	\$ 115,585	\$ 32,774	\$ 306,501
Investments	242	-	-	242
Accounts receivable (less allowance for doubtful accounts of \$11,495, \$4,356 and \$9,597)	22,306	16,281	18,622	57,209
Inventory	-	-	-	-
<i>Total current assets</i>	<u>180,690</u>	<u>131,866</u>	<u>51,396</u>	<u>363,952</u>
<i>Capital assets</i>				
Capital assets	7,883,425	418,706	326,473	8,628,604
Accumulated depreciation	(6,180,806)	(312,576)	(314,200)	(6,807,582)
<i>Total Capital assets</i>	<u>1,702,619</u>	<u>106,130</u>	<u>12,273</u>	<u>1,821,022</u>
<i>Total Assets</i>	<u>\$ 1,883,309</u>	<u>\$ 237,996</u>	<u>\$ 63,669</u>	<u>\$ 2,184,974</u>
<i>Liabilities and Net Assets</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 5,914	\$ 2,175	\$ 547	\$ 8,636
Accrued salaries and benefits	4,359	2,933	4,254	11,546
Accrued compensated absences	-	-	-	-
Current maturity of note payable	-	8,067	-	8,067
<i>Total current liabilities</i>	<u>10,273</u>	<u>13,175</u>	<u>4,801</u>	<u>28,249</u>
<i>Noncurrent liabilities</i>				
Notes payable	-	59,662	-	59,662
Accrued compensated absences payable	8,431	3,081	7,712	19,224
<i>Total noncurrent liabilities</i>	<u>8,431</u>	<u>62,743</u>	<u>7,712</u>	<u>78,886</u>
<i>Total liabilities</i>	<u>18,704</u>	<u>75,918</u>	<u>12,513</u>	<u>107,135</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	1,702,619	38,401	12,273	1,753,293
Unreserved				
Unreserved, undesignated	161,986	123,677	38,883	324,546
<i>Total net assets</i>	<u>1,864,605</u>	<u>162,078</u>	<u>51,156</u>	<u>2,077,839</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 1,883,309</u>	<u>\$ 237,996</u>	<u>\$ 63,669</u>	<u>\$ 2,184,974</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
 For the Year Ended June 30, 2012

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Operating revenues:</i>				
Charges for services	\$ 492,164	\$ 338,968	\$ 398,514	\$ 1,229,646
<i>Total operating revenues</i>	<u>492,164</u>	<u>338,968</u>	<u>398,514</u>	<u>1,229,646</u>
<i>Operating expenses:</i>				
Operating Expenses	174,447	190,512	159,401	524,360
Travel	5,655	22,350	5,892	33,897
Gross Receipts Tax	18,698	-	14,384	33,082
Depreciation	265,219	56,416	28,453	350,088
Purchases for Resale	-	8,266	-	8,266
Contract Services	6,025	-	5,408	11,433
Salaries	197,832	127,928	190,281	516,041
Supplies	29,494	1,865	5,417	36,776
<i>Total operating expenses</i>	<u>697,370</u>	<u>407,337</u>	<u>409,236</u>	<u>1,513,943</u>
<i>Operating income (loss)</i>	<u>(205,206)</u>	<u>(68,369)</u>	<u>(10,722)</u>	<u>(284,297)</u>
<i>Non-operating revenues (expenses):</i>				
Interest Income	-	-	-	-
Interest expense	-	-	-	-
Transfers	-	-	(30,247)	(30,247)
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>(30,247)</u>	<u>(30,247)</u>
<i>Change in net assets</i>	(205,206)	(68,369)	(40,969)	(314,544)
<i>Total net assets, beginning of year</i>	<u>2,069,811</u>	<u>230,447</u>	<u>92,125</u>	<u>2,392,383</u>
<i>Total net assets, end of year</i>	<u>\$ 1,864,605</u>	<u>\$ 162,078</u>	<u>\$ 51,156</u>	<u>\$ 2,077,839</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Total
<i>Cash flows from operating activities:</i>				
Cash received from user charges	\$ 509,598	\$ 354,162	\$ 413,101	\$ 1,276,861
Cash payments to employees for services	(197,310)	(127,449)	(190,175)	(514,934)
Cash payments to suppliers for goods and services	(232,105)	(225,334)	(191,968)	(649,407)
<i>Net cash provided for operating activities</i>	<u>80,183</u>	<u>1,379</u>	<u>30,958</u>	<u>112,520</u>
<i>Cash flows from noncapital financing activities:</i>				
Change in long tem accrued compensated absences	2,422	(718)	1,571	3,275
Principal payments on notes payable	-	70,383	-	70,383
Interest paid	-	-	-	-
Transfers to other funds	(44,039)	138,500	(55,623)	38,838
<i>Net cash provided (used) by noncapital financing activities:</i>	<u>(41,617)</u>	<u>208,165</u>	<u>(54,052)</u>	<u>112,496</u>
<i>Cash flows from investing activities:</i>				
Adjustment to Capital Assets	(27,394)	(179,508)	-	(206,902)
Interest on investments	-	-	-	-
<i>Net cash used by investing activities:</i>	<u>(27,394)</u>	<u>(179,508)</u>	<u>-</u>	<u>(206,902)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	11,172	30,036	(23,094)	18,114
<i>Cash and cash equivalents - beginning of year</i>	<u>147,212</u>	<u>85,549</u>	<u>55,868</u>	<u>288,629</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 158,384</u>	<u>\$ 115,585</u>	<u>\$ 32,774</u>	<u>\$ 306,743</u>
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>				
<i>by operating activities</i>				
Operating income (loss)	\$ (205,206)	\$ (68,369)	\$ (10,722)	\$ (284,297)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities				
Depreciation	265,219	56,416	28,453	350,088
Changes in assets and liabilities				
Receivables	17,434	15,194	14,587	47,215
Accrued expenses	522	479	106	1,107
Accounts payable	2,215	(2,341)	(1,466)	(1,592)
<i>Net cash (used) by operating activities</i>	<u>\$ 80,184</u>	<u>\$ 1,379</u>	<u>\$ 30,958</u>	<u>\$ 112,521</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies

The Town of Red River (Town) was incorporated in 1971, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Town operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The Town of Red River is a body politic and corporate under the name and form of government selected by its qualified electors. The Town may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the Town is presented to assist in the understanding of the Town's financial statements. The financial statements and notes are the representation of the Town's management who is responsible for their integrity and objectivity. The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Town's accounting policies are described below.

A. Financial Reporting Entity

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 statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-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. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Town has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

B. Government-wide and fund financial statements

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

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

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.

Governmental 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 fixed assets and the servicing of general long-term debt. Governmental funds include:

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the 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 only the General Fund, Lodger's Tax Fund, Streets Tax Fund and Grants fund. No other funds were required to be presented as major at the discretion of management.

General Fund – the Town'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 primarily through property, gross receipts and other miscellaneous taxes.

Major Special Revenue Funds:

Local Government Corrections Fund – To account for the operation and maintenance of the Town's jail. Financing is provided by the assessment of correction fees which may be used only for prisoner care. Authorized by NMSA 1978 35-14-44.

Lodgers Tax Fund – to account for the operations of a special fund to promote tourist operations in the Town. Financing is provided by a special lodger's tax charged on all transient lodging in the Town. One half of the tax collected must be used to promote the Town. Funding authority is NMSA 1978 Section 3-38-15.

Fire/EMS Donations Fund – To account for State grant funds to be used to provide an advanced life support system for the Town's Fire and EMS departments. Authorized by Emergency Medical Services Fund Section 24-10A-1, NMSA 1978.

Transportation Grant Fund – To account for a grant to administer and operate a Federal Transportation Administration 5311 Program Rural Transportation System.

Major Capital Project Funds:

Grants Fund – to account for various grant collections and expenditures. Authorization varies with grant award.

The government reports its proprietary funds as a major business-type fund.

Major Enterprise Funds:

Sewer /AWWT Fund – to account for the provision of sewer services to the residents of the Town.

Solid Waste Utility Fund – to account for the provision of solid waste services to the residents of the Town.

Water Utility Fund – to account for the provision of water services to the residents of the Town.

As a general rule, the effect of interfund 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.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Program revenues reduce the cost of the function to be financed from the Town's general revenues. 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 restricted resources first, then unrestricted 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 function and is included in the direct expense of each function. Interest on general and 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 service in connection with the fund's principal ongoing operations. The principal operating revenue of the Town's enterprise fund is charges for services for the Town's various utilities. Operating expenses for enterprise 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 use, it is the Town's policy to use the restricted resources first, then unrestricted resources as they are needed.

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.

State statutes authorize the Town to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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 available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Taos County bills, collects, and remits the Town of Red River's share of property taxes.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

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

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 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

Assets	Years
Buildings	30
Building Improvements	30
Infrastructure	50
Vehicles	5
Office Equipment	5
Computer Equipment	5

Inventory: Inventory is reflected at historical cost.

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

Compensated Absences: Qualified employees are entitled to accumulate compensated absences earned. Employees may not accumulate annual leave and lose any unused vacation pay from calendar year to calendar year. Upon termination, employees will be paid for all days of current year accrued annual leave not yet taken.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year. Upon termination employees receive no pay for sick time accumulated.

The Town permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the Town. Accumulated sick leave benefits vest with each employee in accordance with the Town's policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the governmental-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of services by employees.

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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

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

Net Asset or Fund Equity:

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated.

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Invested in capital assets, net of related debt consists of net assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Interfund 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 interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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.

Tax Revenues: The Town receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Town recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Town records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the Town are prepared prior to June 1 and must be approved by resolution of the Town Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Town Councilors and the Department of Finance and Administration. The legal level of budgetary control is at the fund level. 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 the 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.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 2. Stewardship, Compliance, and Accountability (continued)

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

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

The Town Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents 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 year ended June 30, 2012 is presented.

The reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund are shown on each budgetary statement.

Note 3. Deposits and Investments

State statutes authorize the investment of Town funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Town properly followed State investment requirements as of June 30, 2012.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Town. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. . The Dodd Frank Act of 2010 required that all funds in a non-interest bearing bank account be fully insured by the FDIC through December 31, 2012. The Town of Red River has a non-interest bearing account that is 100% FDIC insured through December 31, 2012.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least one half the amount in excess of FDIC coverage on deposit with the institution.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

Note 3. Deposits and Investments (continued)

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Town's deposits.

	Peoples Bank Checking	Peoples Bank CD
Operating	\$ 1,633,114	\$ 82,529
Total Deposits	1,633,114	82,529
Less: FDIC Coverage	(1,633,114)	(82,529)
Total uninsured public funds	-	-
50 % Collateral requirement	-	-
Pledged Securities	-	-
(Over)Under collateralized	\$ -	\$ -
 Custodial Credit Risk-Deposits		
Account Balance	\$ 1,715,643	
FDIC Insured	1,715,643	
Collateral:		
Collateral held by the pledging bank, not in the Town's name	-	
Uninsured and uncollateralized	-	
Total Deposits	\$ 1,715,643	
 Uninsured and uncollateralized	 -	
Uninsured and collateral held by pledging bank's trust department not in the Town's name	 -	
Total	\$ -	

The collateral pledged is listed on Schedule I of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

Reconciliation of Cash and Temporary Investments

Carrying amounts by fund per financial statement at June 30, 2012 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit B-1	1,279,628
Cash and cash equivalents per Exhibit D-1	306,743
Add Reconciling items	141,162
Less amount on deposit with State Treasurer	(11,890)
	\$ 1,715,643

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

Note 3. Deposits and Investments (continued)

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that in the event of counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. The Town’s investments are in certificates of deposits and investment in the State Treasurer’s Local Government Investment Pool (LGIP). The LGIP is not subject to custodial credit risk and the custodial credit risk for the certificates of deposits is contemplated in *custodial risk – cash*.

Interest Rate Risk and Credit Rating- Investment in State Treasurer’s LGIP

The Town does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The Town’s investments at June 30, 2012 include the following:

State Treasurer LGIP	AAAm	60-day WAM	\$ <u>11,890</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares; 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 amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distributed dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2012.

NM State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Town for at least 102% of the amount on deposit with the institution. There are no repurchase agreements for the year ended June 30, 2012.

The Town utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, Proprietary, and Agency Funds are all in multiple accounts.

NOTE 4. Receivables

Receivables as of June 30, 2012, are as follows:

	General Fund	Fire/EMS Fund	Ambulance Transfer Fund	Grants Fund	Lodgers' Tax Fund	Total
Property taxes	\$ 35,811	\$ -	\$ -	\$ -	\$ -	\$ 35,811
Charges for service	-	-	-	-	-	-
Due from other govt.:						
Other	59,670	163,960	3,419	13,602	-	240,651
Ambulance charges	-	-	25,745	-	-	25,745
Lodgers’ Taxes	-	-	-	-	50,140	50,140
	<u>\$ 95,481</u>	<u>\$ 163,960</u>	<u>\$ 29,164</u>	<u>\$ 13,602</u>	<u>\$ 50,140</u>	<u>\$ 352,347</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 4. Receivables (continued)

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund
Accounts Receivable	\$ 22,306	\$ 16,281	\$ 18,622

The above governmental receivables are deemed 100% collectible. The utility accounts receivable are net of an estimated allowance for uncollectible accounts of \$29,483.

NOTE 5. Accounts Payables

Accounts payable as of June 30, 2012, are as follows:

Payable to suppliers	\$ 72,613
Payables to employees	64,557
Total accounts payable and accrued expenses	\$ 137,170

NOTE 6. Interfund Receivables, Payables, and Transfers

“Due to” and “Due from” balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2012 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 205,847	\$ -
Grants Fund	-	142,444
Non-major Funds:		
Fire/EMS Fund	-	63,403
Total	\$ 205,847	\$ 205,847

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012 follows.

Governmental Activities	June 30, 2011	Additions	Adjustments	Deletions	June 30, 2012
Capital assets not depreciated					
Land	\$ 2,147,356	\$ 14,271	\$ 1,679,562	\$ -	\$ 3,841,189
Capital assets being depreciated:					
Buildings & Improvements	6,181,697	28,643	(1,679,562)	(277,225)	4,253,553
Equipment	2,686,156	22,651	-	(715,363)	1,993,444
Vehicles	1,983,178	35,000	-	220,631	2,238,809
Infrastructure	2,155,385	5,250	-	183,696	2,344,331
Total capital assets being depreciated	13,006,416	91,544	(1,679,562)	(588,261)	10,830,137
Total Capital Assets	\$ 15,153,772	\$ 105,815	\$ (1,679,562)	\$ (588,261)	\$ 14,671,326
Less accumulated depreciation:					
Buildings & Improvements	1,754,529	106,403	3,227	-	1,864,159
Equipment	1,416,392	139,487	208,914	-	1,764,793
Vehicles	1,870,814	235,922	(373,596)	(241,096)	1,492,044
Infrastructure	801,432	48,667	161,455	-	1,011,554
Total Accumulated Depreciation	\$ 5,843,167	\$ 530,479	\$ -	\$ (241,096)	\$ 6,132,550
Total capital assets net of depreciation	\$ 9,310,605	\$ (424,664)	\$ (1,679,562)	\$ (347,165)	\$ 8,538,776

Depreciation expense for the year ended June 30, 2012 was charged to the following functions and funds:

General Government	\$ 44,703
Public Safety	44,280
Public Works	92,295
Culture and Recreation	66,340
Health and Welfare	41,765
Total depreciation expense governmental funds	<u>\$ 289,383</u>

Business-Like Activities	June 30, 2011	Additions	Deletions	June 30, 2012
Land, Building & Improvements	7,821,617	98,900	(37,092)	7,883,425
Equipment	345,449	-	(18,976)	326,473
Vehicles	503,739	-	(85,033)	418,706
Total Capital Assets	8,670,805	98,900	(141,101)	8,628,604
Less accumulated depreciation:				
Land, Building & Improvements	5,909,861	265,219	5,726	6,180,806
Equipment	307,222	28,453	(21,475)	314,200
Vehicles	339,578	56,416	(83,418)	312,576
Total Accumulated Depreciation	6,556,661	350,088	(99,167)	6,807,582
Total capital assets net of depreciation	2,114,144	(251,188)	(41,934)	1,821,022

Depreciation expense relating to business-like activities for the year ended June 30, 2012 totaled \$350,088.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 8. Long-term Debt

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental Activities	Balance	Additions	Retirements	Balance	Due Within
	June 30, 2011			June 30, 2012	One Year
Economic Development Loan	\$ 54,325	\$ -	\$ 26,874	\$ 27,451	\$ 27,451
Sales Tax Revenue Bond	325,000	-	45,000	280,000	50,000
Dell Computers	-	12,250	3,900	8,350	4,061
John Deere Front End Loader	88,139	-	88,139	-	-
Front End Loader	-	146,627	29,051	117,576	29,130
Osage Ambulance	-	57,622	10,323	47,299	11,401
John Deere Wheel Loader Backhoe	49,570	-	49,570	-	-
Aerial Platform Truck	225,162	-	18,446	206,716	18,663
Fire Station Loan	197,686	-	1,477	196,209	1,492
Accrued Compensated Absences	61,163	41,756	42,359	60,560	-
Total	\$ 1,001,045	\$ 258,255	\$ 315,139	\$ 944,161	\$ 142,198

Business-type Activities	Balance	Additions	Retirements	Balance	Due Within
	June 30, 2011			June 30, 2012	One Year
Business-type Activities	Balance	Additions	Retirements	Balance	Due Within
	June 30, 2011			June 30, 2012	One Year
Freightliner Solid Waste Truck	75,750	-	8,021	67,729	8,067
Accrued Compensated Absences	18,396	16,146	15,318	19,224	-
Total Long Term Debt	\$ 18,396	\$ 16,146	\$ 23,339	\$ 86,953	\$ 8,067

The annual requirements to amortize the loan payable to NMFA as of June 30, 2012, including interest payments are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 150,265	\$ 47,169	\$ 197,434
2014	128,640	39,852	168,492
2015	125,120	35,912	161,032
2016	127,050	31,468	158,518
2017	121,753	14,776	136,529
2018-2021	298,502	97,096	395,598
Total	\$ 951,330	\$ 266,273	\$ 1,217,603

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

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. The Town of Red River participates in the New Mexico Self-Insurer's Fund risk pool. The Town pays an annual premium to the pool based on claim experience and the status of the pool. The Town is not liable for more than the premium paid.

The Town has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Town which exceeds the insurance coverage, the Town would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2012, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the Town of Red River.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.
Grants Fund (132,740)

Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

NOTE 11. PERA Pension Plans

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

Funding Policy. Effective July 1, 2012, plan members are required to contribute 7.9% of their gross salary. The Town of Red River is required to contribute 9% to 10% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the Town of Red River are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Town of Red River's contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$100,412, \$106,038 and \$107,321, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 12. Post-Employment Benefits

The Town of Red River has elected not to obtain Retiree Health Care Act coverage.

NOTE 13. Contingent Liabilities

The Town is party to various claims and lawsuits arising in the normal course of business. Management and the Town's attorney are unaware of any material pending or threatened litigation, claims or assessments against the Town which are not covered by the Town's insurance as described in Note 9.

NOTE 14. 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 15. Joint Powers Agreements

Creation of "The Enchanted Circle Regional Fire Protection Association"

Purpose: The agreement is for the sole purpose of establishing, implementing, and maintaining a regional fire protection association. This program will provide cooperative fire suppression, firefighter training programs, and cost efficient purchasing of firefighting equipment and supplies for all parties involved.

Participants: The Town of Red River, The Town of Red River, The Town of Angel Fire, The Town of Eagle Nest, The Town of Red River, The Town of Questa, The County of Red River, and The County of Colfax

Responsible Party for Operation and Audit: The Town of Red River

Beginning and Ending Date of Agreement: Started March 23, 2007 and is renewed annually with changes made no later than September 30

Total Estimated Amount of Project and Actual Amount Contributed: None

Operation of the Solid Waste Landfill

Purpose: To operate the Taos Regional Landfill

Participants: Town of Taos, Questa, Eagle Nest, Taos Ski Valley, Taos County and the Town of Red River

Responsible Party for Operation and Audit: Town of Taos

Beginning and Ending Date of Agreement: Started July 22, 2008 for a period of 50 years

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

Wildland Suppression

Purpose: To document EMNRD and the Town of Red River's commitment to wildland fire suppression by using interagency cooperation, management assistance, and cooperation with the use of federal excess property.

Participants: EMNRD and the Town of Red River

Responsible Party for Operation and Audit: The Energy, Minerals and Natural Resources Department

Beginning and Ending Date of Agreement: Started September 22, 2006 and is continuous unless terminated by either party due to insufficient appropriation or suspended performance pending approval from the New Mexico State Legislature.

Total Estimated Amount of Project and Actual Amount Contributed: Rates run between 1%-5%

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 15. Joint Powers Agreements (continued)

E911 Land Line Services

Purpose: The Town of Red River and Town of Angel Fire to provide funding for enhanced 911 landline service and wireless Phase I and Phase II Services.

Participants: Town of Red River and Town of Angel Fire

Responsible Party for Operation and Audit: Town of Angel Fire

Beginning and Ending Date of Agreement: 02-20-07 to 30 days upon written notification by either party

Total Estimated Amount of Project and Actual Amount Contributed: None

Traffic Safety Bureau Grant

Purpose: All are concerned with the safety, health, and welfare to the rest of our community and desire to reduce DWI in their communities and Taos County overall.

Participants: Town of Red River, Questa, Taos and Taos County

Responsible Party for Operation and Audit: Taos County

Beginning and Ending Date of Agreement: 5-25-2010 to 30 days upon written notification by either party

Total Estimated Amount of Project and Actual Amount Contributed: \$8,757.00

NOTE 16. Subsequent Review

The Town of Red River has evaluated subsequent events through October 5, 2012, which is the date the financial statements were dated.

NOTE 17. Subsequent Accounting Standard Pronouncements

The GASB issued Statement No. 64. Statement 64 is effective for financial statements for periods beginning after December 15, 2012, with early application encouraged. The objective of this statement is clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider is replaced. The Village is reviewing the effects of the implementation of this statement but does not believe it will have an impact on their financial statements.

The GASB issued Statement No. 65, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Town is reviewing the effects of the implementation of this statement.

The GASB issued Statement No. 66, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to amend Statement No. 10, Accounting and

STATE OF NEW MEXICO
TOWN OF RED RIVER
Notes to the Financial Statements
June 30, 2012

NOTE 17. Subsequent Accounting Standard Pronouncements (continued)

Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. As a result, government would base their decisions about governmental fund type usage for risk financing activities on the definitions in Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement also amends Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and that principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee. These changes would eliminate any uncertainty regarding the application of Statement No. 13, Accounting for Operating Leases with Schedule Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales of Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The Town is reviewing the effects of the implementation of this statement.

NOTE 18. Restatement of Net Assets

In the 2011 Statement of Net Assets, a note payable of \$75,750 was reported in the governmental activities column and also in the Business-Type Activities column.

Beginning Net Assets	\$ 9,342,011
Restatement	<u>75,750</u>
Net Assets, restated	<u>\$ 9,417,761</u>

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2012

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Town with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Environmental Gross Receipts Tax Fund (202) – To account for the collection and expenditure of one sixteenth of one percent gross receipts tax dedicated for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, waste water facilities or sewer systems. Authorized by NMSA Chapter 7, Article 20E.

Emergency Medical Services Fund (206) – To account for the acquisition of emergency medical equipment and the operation of the equipment financed through a grant from the State of New Mexico. Authorized by NMSA 24-10A & NMS 6-11-6.

911 Grant fund (207) – To account for monies received from the State of New Mexico under Section 63-9D-1 NMSA 1978 as amended for the enhancement of the 911 Telephone Emergency System.

Fire Protection Fund (209) – To account for the grant funds used for maintenance and development of the Town's fire department. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of fire personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

Law Enforcement Protection Fund (211) – To account for the grant funds used for maintenance and development of the Town's police force. Financing is provided by a grant from the State of New Mexico. Such revenue provided for purchase and repairs of equipment as well as classes to upgrade the training of police personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

State Library Grant Fund (213) – To account for the operations of a Library Grant from the New Mexico State Library for additions to the Town Library. Authorized by Section 18-2-4B NMSA 1978.

State Gasoline Tax Fund (216) – To account for special gasoline tax distribution to be used for maintenance and improvement of the streets and highways. Funding is from State gasoline tax. Authorized by NMSA 1978 7-1-6.9 to 7-13-18.

Recreation Fund (217) – To account for the operations and maintenance of the recreation facilities. Financing is provided by a portion of the Town's share of the State cigarette tax and the fees charged for admission to the swimming pool. The authority is Section 7-12-15, NMSA 1978.

Ambulance Transfer Fund (290) – To account for Ambulance fees collected and transferred between the Town of Red River and Taos County.

Enchanted Circle EMS Fund (295) – To account for State grant funds and other revenue to be used to provided emergency medical services.

Economic Development Grant Fund (298) - To account for monies received from the State of New Mexico for the purpose of advertising and promoting the tourism industry of Red River and the enhancement of economic development.

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2012

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects.

The Town has four separate funds classified as non-major Capital Projects Funds as follows:

Sewer/AWWT Replacement Fund (304) – To account for funds collected in prior years to fund the replacement of part of the waste water treatment plant

Water Line Replacement Fund (306) – To account for financing, construction and maintenance of water lines within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

Park Replacement Fund (310) – To account for the financing, construction and maintenance of land and parks within the Town limits. Funding is from a ¼ cent sales tax imposed by legislation for such projects.

Infrastructure Replacement Fund (311) – To account for the financing, construction and maintenance of streets within the Town limits. Funding is from a 1/8 cent sales tax imposed by legislation for such projects.

Streets Tax Fund – to account for the collection of a quarter cent sales tax imposed by the Town Council to fund the construction and maintenance of streets within the Town limits.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for financial resources to be used for the acquisition and payment of long term bonds and notes of the Town.

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STATE OF NEW MEXICO
TOWN OF RED RIVER
June 30, 2012

PROPRIETARY FUNDS

Sewer/AWWT Utility Fund (503) – To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, billing and maintenance.

Solid Waste Fund (504) – To account for the provision of solid waste services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

Water Utility Fund (505) – To account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, billing and maintenance.

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

Schedule A-1

	Environmental Gross Receipts Tax Fund	Emergency Medical Services Fund	911 Grant Fund
<i>Assets</i>			
Cash and cash equivalents	\$ 27,002	\$ -	\$ 971
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ 27,002</u>	<u>\$ -</u>	<u>\$ 971</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	240	-	-
Accrued compensated absences	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>240</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	26,762	-	971
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>26,762</u>	<u>-</u>	<u>971</u>
<i>Total liabilities and fund balances</i>	<u>\$ 27,002</u>	<u>\$ -</u>	<u>\$ 971</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012

Schedule A-1

Fire Protection Fund	Law Enforcement Protection Fund	State Library Grant Fund	State Gasoline Tax Fund
\$ 4,808	\$ 18,000	\$ 298	\$ 10,713
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 4,808</u>	<u>\$ 18,000</u>	<u>\$ 298</u>	<u>\$ 10,713</u>
\$ 67	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
4,741	18,000	298	10,713
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,741</u>	<u>18,000</u>	<u>298</u>	<u>10,713</u>
<u>\$ 4,808</u>	<u>\$ 18,000</u>	<u>\$ 298</u>	<u>\$ 10,713</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

Schedule A-1

	<u>Recreation Fund</u>	<u>Ambulance Transfer Fund</u>	<u>Enchanted Circle- EMS Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ 7,404	\$ 15,714
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	-	25,745	-
Due from other governments	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 33,149</u>	<u>\$ 15,714</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ 3,695	\$ -
Accrued salaries and benefits	-	3,643	-
Accrued compensated absences	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>7,338</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	25,811	15,714
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>25,811</u>	<u>15,714</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 33,149</u>	<u>\$ 15,714</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2012

Schedule A-1

Economic Development Grant Fund	Sewer/AWWT Replacement Fund	Water Line Replacement Fund	Park Replacement fund
\$ 29,291	\$ 98,541	\$ 86,996	\$ 57,881
-	303	155	-
-	-	-	-
-	-	-	-
3,419	-	-	-
-	-	-	4,165
-	-	-	-
<u>\$ 32,710</u>	<u>\$ 98,844</u>	<u>\$ 87,151</u>	<u>\$ 62,046</u>
\$ 6,430	\$ -	\$ 592	\$ 501
3,229	-	-	1,088
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,659</u>	<u>-</u>	<u>592</u>	<u>1,589</u>
-	-	-	-
23,051	-	-	-
-	98,844	86,559	60,457
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>23,051</u>	<u>98,844</u>	<u>86,559</u>	<u>60,457</u>
<u>\$ 32,710</u>	<u>\$ 98,844</u>	<u>\$ 87,151</u>	<u>\$ 62,046</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

Schedule A-1

	Infrastructure Replacement Fund	Streets Tax Fund	Debt Service	Total Nonmajor Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 98,499	\$ 48,833	\$ 115,013	\$ 619,964
Investments	96	82,529	-	83,083
Accounts and taxes receivable	-	-	-	-
Other receivables	-	-	-	25,745
Due from other governments	-	-	-	3,419
Inventory	1,868	-	-	6,033
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 100,463</u>	<u>\$ 131,362</u>	<u>\$ 115,013</u>	<u>\$ 738,244</u>
<i>Liabilities</i>				
Accounts payable	\$ 50	\$ 5,369	\$ -	\$ 16,704
Accrued salaries and benefits	330	-	-	8,530
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>380</u>	<u>5,369</u>	<u>-</u>	<u>25,234</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	126,061
Capital Projects Funds	100,083	125,993	-	471,936
Debt Service Funds	-	-	115,013	115,013
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	-	-	-	-
<i>Total fund balances</i>	<u>100,083</u>	<u>125,993</u>	<u>115,013</u>	<u>713,010</u>
<i>Total liabilities and fund balances</i>	<u>\$ 100,463</u>	<u>\$ 131,362</u>	<u>\$ 115,013</u>	<u>\$ 738,244</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2012

	Environmental Gross Receipts Tax Fund	Emergency Medical Services Fund	911 Grant Fund
<i>Revenues:</i>			
Taxes	\$ 24,471	\$ -	\$ -
Intergovernmental Income	-	8,925	5,090
Charges for Services	-	-	-
Licenses and Fees	-	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>24,471</u>	<u>8,925</u>	<u>5,090</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General Government	-	-	-
Public Safety	-	-	4,827
Public Works	16,805	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	8,925	-
Capital Outlay	-	-	-
<i>Debt Service:</i>			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>16,805</u>	<u>8,925</u>	<u>4,827</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>7,666</u>	<u>-</u>	<u>263</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	7,666	-	263
<i>Fund balances - beginning of year</i>	<u>19,096</u>	<u>-</u>	<u>708</u>
<i>Fund balances - end of year</i>	<u>\$ 26,762</u>	<u>\$ -</u>	<u>\$ 971</u>

Fire Protection Fund	Law Enforcement Protection Fund	State Library Grant Fund	State Gasoline Tax Fund
\$ -	\$ -	\$ -	\$ 9,902
37,521	21,800	8,331	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>37,521</u>	<u>21,800</u>	<u>8,331</u>	<u>9,902</u>
-	-	-	-
45,923	3,800	-	-
-	-	-	6,948
-	-	8,302	-
-	-	-	-
-	-	-	-
<u>45,923</u>	<u>3,800</u>	<u>8,302</u>	<u>6,948</u>
<u>(8,402)</u>	<u>18,000</u>	<u>29</u>	<u>2,954</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(8,402)	18,000	29	2,954
<u>13,143</u>	<u>-</u>	<u>269</u>	<u>7,759</u>
<u>\$ 4,741</u>	<u>\$ 18,000</u>	<u>\$ 298</u>	<u>\$ 10,713</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2012

	<u>Recreation Fund</u>	<u>Ambulance Transfer Fund</u>	<u>Enchanted Circle- EMS fund</u>
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-
Charges for Services	-	178,239	1,767
Licenses and Fees	-	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	15,028	11,055
<i>Total revenues</i>	<u>-</u>	<u>193,267</u>	<u>12,822</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	-	-	11,161
Public Works	-	-	-
Culture and Recreation	3,019	-	-
Health and Welfare	-	188,596	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>3,019</u>	<u>188,596</u>	<u>11,161</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,019)</u>	<u>4,671</u>	<u>1,661</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(3,019)	4,671	1,661
<i>Fund balances - beginning of year</i>	<u>3,019</u>	<u>21,140</u>	<u>14,053</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 25,811</u>	<u>\$ 15,714</u>

Economic Development Grant Fund	Sewer/AWWT Replacement Fund	Water Line Replacement Fund	Park Replacement Fund
\$ -	\$ -	\$ 99,140	\$ 99,140
-	-	-	-
59,016	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>59,016</u>	<u>-</u>	<u>99,140</u>	<u>99,140</u>
-	-	-	-
-	-	-	-
-	-	81,520	-
233,802	-	-	92,081
-	-	-	-
-	-	-	-
-	-	-	-
<u>233,802</u>	<u>-</u>	<u>81,520</u>	<u>92,081</u>
(174,786)	-	17,620	7,059
-	-	-	-
156,000	-	-	-
-	-	-	-
<u>156,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(18,786)	-	17,620	7,059
<u>41,837</u>	<u>98,844</u>	<u>68,939</u>	<u>53,398</u>
<u>\$ 23,051</u>	<u>\$ 98,844</u>	<u>\$ 86,559</u>	<u>\$ 60,457</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2012

	Infrastructure Replacement Fund	Streets Tax Fund	Debt Service	Total Nonmajor Governmental Funds
<i>Revenues:</i>				
Taxes	\$ 146,732	\$ 99,140	\$ -	\$ 478,525
Intergovernmental Income	-	-	-	81,667
Charges for Services	20,257	-	-	259,279
Licenses and Fees	-	-	-	-
Investment Income (Loss)	-	817	-	817
Miscellaneous	25	-	72,000	98,108
<i>Total revenues</i>	<u>167,014</u>	<u>99,957</u>	<u>72,000</u>	<u>918,396</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	65,711
Public Works	153,056	83,848	-	342,177
Culture and Recreation	-	-	-	337,204
Health and Welfare	-	-	-	197,521
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	62,586	62,586
<i>Total expenditures</i>	<u>153,056</u>	<u>83,848</u>	<u>62,586</u>	<u>1,005,199</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,958</u>	<u>16,109</u>	<u>9,414</u>	<u>(86,803)</u>
<i>Other financing sources (uses)</i>				
Bond Proceeds	-	-	-	-
Transfers In	30,247	-	-	186,247
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>30,247</u>	<u>-</u>	<u>-</u>	<u>186,247</u>
<i>Net change in fund balances</i>	44,205	16,109	9,414	99,444
<i>Fund balances - beginning of year</i>	<u>55,878</u>	<u>109,884</u>	<u>105,599</u>	<u>613,566</u>
<i>Fund balances - end of year</i>	<u>\$ 100,083</u>	<u>\$ 125,993</u>	<u>\$ 115,013</u>	<u>\$ 713,010</u>

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STATE OF NEW MEXICO
TOWN OF RED RIVER
ENVIRONMENTAL GROSS RECEIPTS TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 25,000	\$ 25,000	\$ 24,471	\$ (529)
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	25,000	25,000	24,471	(529)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	15,910	43,358	16,790	26,568
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	15,910	43,358	16,790	26,568
<i>Excess (deficiency) of revenues over expenditures Non-GAAP basis)</i>	9,090	(18,358)	7,681	26,039
<i>Other financing sources (uses)</i>				
Designated Cash	(9,090)	18,358	-	(18,358)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(9,090)	18,358	-	(18,358)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	7,681	7,681
<i>Cash Balance - Beginning of Year</i>	-	-	19,321	19,321
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 27,002	\$ 27,002
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 7,681	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(15)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 7,666	

STATE OF NEW MEXICO
TOWN OF RED RIVER
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	8,920	8,925	8,924	(1)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,920	8,925	8,924	(1)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	8,925	8,925	8,924	1
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,925	8,925	8,924	1
<i>Excess (deficiency) of revenues over expenditures</i>	(5)	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	5	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	5	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

STATE OF NEW MEXICO
TOWN OF RED RIVER
911 GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	2,000	5,091	5,090	(1)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,000</u>	<u>5,091</u>	<u>5,090</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	5,091	5,091	4,827	264
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,091</u>	<u>5,091</u>	<u>4,827</u>	<u>264</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,091)</u>	<u>-</u>	<u>263</u>	<u>263</u>
<i>Other financing sources (uses)</i>				
Designated Cash	3,091	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>263</u>	<u>263</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>708</u>	<u>708</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971</u>	<u>\$ 971</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 263	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 263</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
FIRE PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	37,521	46,184	37,521	(8,663)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	37,521	46,184	37,521	(8,663)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	46,184	46,184	46,184	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	46,184	46,184	46,184	-
<i>Excess (deficiency) of revenues over expenditures</i>	(8,663)	-	(8,663)	(8,663)
<i>Other financing sources (uses)</i>				
Designated Cash	8,663	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	8,663	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(8,663)	(8,663)
<i>Cash Balance - Beginning of Year</i>	-	-	13,471	13,471
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 4,808	\$ 4,808
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (8,663)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			261	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (8,402)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	21,800	39,145	21,800	(17,345)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	21,800	39,145	21,800	(17,345)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	21,800	39,145	3,800	35,345
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	21,800	39,145	3,800	35,345
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	18,000	18,000
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>				
	-	-	18,000	18,000
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 18,000	\$ 18,000
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 18,000	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 18,000	

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATE LIBRARY GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	14,172	14,172	8,331	(5,841)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	1,000	1,000	-	(1,000)
<i>Total revenues</i>	<u>15,172</u>	<u>15,172</u>	<u>8,331</u>	<u>(6,841)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	11,536	11,536	8,302	3,234
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,536</u>	<u>11,536</u>	<u>8,302</u>	<u>3,234</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,636</u>	<u>3,636</u>	<u>29</u>	<u>(3,607)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(3,636)	(3,636)	-	3,636
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,636)</u>	<u>(3,636)</u>	<u>-</u>	<u>3,636</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	29	29
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>269</u>	<u>269</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298</u>	<u>\$ 298</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 29	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 29</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
STATE GASOLINE TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 12,000	\$ 12,000	\$ 9,902	\$ (2,098)
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	12,000	12,000	9,902	(2,098)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	13,700	13,700	6,948	6,752
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	13,700	13,700	6,948	6,752
<i>Excess (deficiency) of revenues over expenditures</i>	(1,700)	(1,700)	2,954	4,654
<i>Other financing sources (uses)</i>				
Designated Cash	1,700	1,700	-	(1,700)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	1,700	1,700	-	(1,700)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	2,954	2,954
<i>Cash Balance - Beginning of Year</i>	-	-	7,759	7,759
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 10,713	\$ 10,713
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 2,954	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 2,954	

STATE OF NEW MEXICO
TOWN OF RED RIVER
RECREATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ 3,020	\$ -	\$ (3,020)
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	3,020	-	(3,020)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	3,020	3,020	3,019	1
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,020	3,020	3,019	1
<i>Excess (deficiency) of revenues over expenditures</i>	(3,020)	-	(3,019)	(3,019)
<i>Other financing sources (uses)</i>				
Designated Cash	3,020	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	3,020	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(3,019)	(3,019)
<i>Cash Balance - Beginning of Year</i>	-	-	3,019	3,019
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (3,019)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (3,019)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
AMBULANCE TRANSFER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	181,500	181,500	167,522	(13,978)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	181,500	181,500	167,522	(13,978)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	180,221	206,768	184,198	22,570
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	180,221	206,768	184,198	22,570
<i>Excess (deficiency) of revenues over expenditures</i>	1,279	(25,268)	(16,676)	8,592
<i>Other financing sources (uses)</i>				
Designated Cash	(1,279)	25,268	-	(25,268)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(1,279)	25,268	-	(25,268)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(16,676)	(16,676)
<i>Cash Balance - Beginning of Year</i>	-	-	24,080	24,080
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 7,404	\$ 7,404
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (16,676)	
Adjustment to revenue for accruals and other deferrals			25,745	
Adjustment to expenditures for payables, prepaids and other accruals			(4,398)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 4,671	

STATE OF NEW MEXICO
TOWN OF RED RIVER
ENCHANTED CIRCLE-EMS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	5,300	5,300	1,767	(3,533)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	8,000	8,000	11,055	3,055
<i>Total revenues</i>	<u>13,300</u>	<u>13,300</u>	<u>12,822</u>	<u>(478)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	15,000	15,000	11,161	3,839
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>11,161</u>	<u>3,839</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,700)</u>	<u>(1,700)</u>	<u>1,661</u>	<u>3,361</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,700	1,700	-	(1,700)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,700</u>	<u>1,700</u>	<u>-</u>	<u>(1,700)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	1,661	1,661
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>14,053</u>	<u>14,053</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,714</u>	<u>\$ 15,714</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 1,661	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 1,661</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
ECONOMIC DEVELOPMENT GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	99,850	108,166	60,447	(47,719)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	99,850	108,166	60,447	(47,719)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	262,030	256,667	233,713	22,954
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	262,030	256,667	233,713	22,954
<i>Excess (deficiency) of revenues over expenditures</i>	(162,180)	(148,501)	(173,266)	(24,765)
<i>Other financing sources (uses)</i>				
Designated Cash	6,180	(7,499)	-	7,499
Transfers In	156,000	156,000	156,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	162,180	148,501	156,000	7,499
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(17,266)	(17,266)
<i>Cash Balance - Beginning of Year</i>	-	-	46,557	46,557
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 29,291	\$ 29,291
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (173,266)	
Adjustment to revenue for accruals and other deferrals			3,419	
Adjustment to expenditures for payables, prepaids and other accruals			(4,939)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (174,786)	

STATE OF NEW MEXICO
TOWN OF RED RIVER
SEWER/AWWT REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	98,844	98,844
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 98,844	\$ 98,844
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

STATE OF NEW MEXICO
TOWN OF RED RIVER
WATER LINE REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 90,000	\$ 90,000	\$ 99,140	\$ 9,140
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	90,000	90,000	99,140	9,140
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	96,567	96,567	82,907	13,660
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	96,567	96,567	82,907	13,660
<i>Excess (deficiency) of revenues over expenditures</i>	(6,567)	(6,567)	16,233	22,800
<i>Other financing sources (uses)</i>				
Designated Cash	6,567	6,567	-	(6,567)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	6,567	6,567	-	(6,567)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	16,233	16,233
<i>Cash Balance - Beginning of Year</i>	-	-	70,918	70,918
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 87,151	\$ 87,151
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 16,233	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			1,387	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 17,620	

STATE OF NEW MEXICO
TOWN OF RED RIVER
PARKS REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 90,000	\$ 90,000	\$ 99,140	\$ 9,140
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	1,000	1,000	-	(1,000)
<i>Total revenues</i>	<u>91,000</u>	<u>91,000</u>	<u>99,140</u>	<u>8,140</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	111,950	111,950	91,623	20,327
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>111,950</u>	<u>111,950</u>	<u>91,623</u>	<u>20,327</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,950)</u>	<u>(20,950)</u>	<u>7,517</u>	<u>28,467</u>
<i>Other financing sources (uses)</i>				
Designated Cash	20,950	20,950	-	(20,950)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,950</u>	<u>20,950</u>	<u>-</u>	<u>(20,950)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	7,517	7,517
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>50,364</u>	<u>50,364</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,881</u>	<u>\$ 57,881</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 7,517	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(458)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 7,059</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
INFRASTRUCTURE REPLACEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 134,500	\$ 134,500	146,732	\$ 12,232
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	20,257	20,257
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	1,050	1,050	25	(1,025)
<i>Total revenues</i>	<u>135,550</u>	<u>135,550</u>	<u>167,014</u>	<u>31,464</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	141,741	157,032	157,032	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>141,741</u>	<u>157,032</u>	<u>157,032</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,191)</u>	<u>(21,482)</u>	<u>9,982</u>	<u>31,464</u>
<i>Other financing sources (uses)</i>				
Designated Cash	6,191	21,482	-	(21,482)
Transfers In	-	-	30,247	30,247
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,191</u>	<u>21,482</u>	<u>30,247</u>	<u>8,765</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	40,229	40,229
<i>Cash Balance - Beginning of Year</i>	-	-	<u>58,316</u>	<u>58,316</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,545</u>	<u>\$ 98,545</u>

Excess (deficiency) of revenues over expenditures (Non-GAAP basis)	\$ 9,982
Adjustment to revenue for accruals and other deferrals	-
Adjustment to expenditures for payables, prepaids and other accruals	<u>3,976</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$ 13,958</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
STREETS TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 89,000	\$ 89,000	99,140	\$ 10,140
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	817	817
Miscellaneous	-	-	-	-
<i>Total revenues</i>	89,000	89,000	99,957	10,957
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	89,987	97,948	82,983	14,965
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	89,987	97,948	82,983	14,965
<i>Excess (deficiency) of revenues over expenditures</i>	(987)	(8,948)	16,974	(25,922)
<i>Other financing sources (uses)</i>				
Designated Cash	987	8,948	-	(8,948)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	987	8,948	-	(8,948)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	16,974	16,974
<i>Cash Balance - Beginning of Year</i>	-	-	114,388	114,388
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 131,362	\$ 131,362
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 16,974	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(865)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 16,109	

STATE OF NEW MEXICO
TOWN OF RED RIVER
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	72,000	72,000	72,000	-
<i>Total revenues</i>	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	72,000	72,000	62,586	9,414
<i>Total expenditures</i>	<u>72,000</u>	<u>72,000</u>	<u>62,586</u>	<u>9,414</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>9,414</u>	<u>9,414</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>9,414</u>	<u>9,414</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>105,599</u>	<u>105,599</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,013</u>	<u>\$ 115,013</u>

Excess (deficiency) of revenues over expenditures (Non-GAAP basis)	\$ 9,414
Adjustment to revenue for accruals and other deferrals	-
Adjustment to expenditures for payables, prepaids and other accruals	-
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$ 9,414</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
GRANTS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	110,792	110,792	6,042	(104,750)
Licenses and Fees	432,875	432,875	257,138	(175,737)
Interest Income	10,000	10,000	1,677	(8,323)
Investment Income(Loss)	-	-	-	-
Miscellaneous	5,000	5,000	-	(5,000)
<i>Total revenues</i>	<u>558,667</u>	<u>558,667</u>	<u>264,857</u>	<u>(293,810)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	204,125	204,125	74,303	129,822
Public Safety	6,000	6,000	-	6,000
Public Works	299,174	299,174	198,870	100,304
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>509,299</u>	<u>509,299</u>	<u>273,173</u>	<u>236,126</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>49,368</u>	<u>49,368</u>	<u>(8,316)</u>	<u>(57,684)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(49,368)	(49,368)	-	49,368
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(49,368)</u>	<u>(49,368)</u>	<u>-</u>	<u>49,368</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(8,316)	(8,316)
<i>Cash Balance - Beginning of Year</i>	-	-	(134,128)	(134,128)
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (142,444)</u>	<u>\$ (142,444)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Basis)			\$ (8,316)	
Adjustment to revenue for accruals and other deferrals			9,352	
Adjustment to expenditures for payables, prepaids and other accruals			(3,898)	
Excess (deficiency) of revenues over expenditures (Non-GAAP Basis)			<u>\$ (2,862)</u>	

STATE OF NEW MEXICO
TOWN OF RED RIVER
SEWER (AWWT) PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	500,261	404,244	502,327	98,083
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	500,261	404,244	502,327	98,083
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	241,418	241,418	235,814	5,604
Travel	4,500	4,500	5,578	(1,078)
Gross Receipts Tax	16,000	16,000	18,698	(2,698)
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	5,550	5,550	5,898	(348)
Salaries	250,835	250,835	195,807	55,028
Supplies	39,000	39,000	29,360	9,640
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	557,303	557,303	491,155	66,148
<i>Excess (deficiency) of revenues over expenditures</i>	(57,042)	(153,059)	11,172	164,231
<i>Other financing sources (uses)</i>				
Designated Cash	57,042	153,059	-	(153,059)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	57,042	153,059	-	(153,059)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	11,172	11,172
<i>Cash Balance - Beginning of Year</i>	-	-	147,212	147,212
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 158,384	\$ 158,384

STATE OF NEW MEXICO
TOWN OF RED RIVER
SOLID WASTE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	321,661	321,661	319,774	(1,887)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>321,661</u>	<u>321,661</u>	<u>319,774</u>	<u>(1,887)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	188,102	188,102	160,206	27,896
Travel	20,000	20,000	24,331	(4,331)
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	5,900	5,900	8,182	(2,282)
Contract Services	-	-	-	-
Salaries	116,580	116,580	124,956	(8,376)
Supplies	3,500	3,500	2,310	1,190
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	82,275	-	82,275
<i>Total expenditures</i>	<u>334,082</u>	<u>416,357</u>	<u>319,985</u>	<u>96,372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,421)</u>	<u>(94,696)</u>	<u>(211)</u>	<u>94,485</u>
<i>Other financing sources (uses)</i>				
Designated Cash	12,421	94,696	-	(94,696)
Transfers In	-	-	30,247	30,247
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,421</u>	<u>94,696</u>	<u>30,247</u>	<u>(64,449)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	30,036	30,036
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>85,549</u>	<u>85,549</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,585</u>	<u>\$ 115,585</u>

STATE OF NEW MEXICO
TOWN OF RED RIVER
WATER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	361,652	361,652	407,875	46,223
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>361,652</u>	<u>361,652</u>	<u>407,875</u>	<u>46,223</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	184,584	184,584	176,295	8,289
Travel	8,000	8,000	5,443	2,557
Gross Receipts Tax	13,000	13,000	14,384	(1,384)
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	6,150	6,150	5,324	826
Salaries	192,823	192,823	193,859	(1,036)
Supplies	7,500	7,500	5,417	2,083
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>412,057</u>	<u>412,057</u>	<u>400,722</u>	<u>11,335</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,405)</u>	<u>(50,405)</u>	<u>7,153</u>	<u>57,558</u>
<i>Other financing sources (uses)</i>				
Designated Cash	50,405	50,405	-	(50,405)
Transfers In	-	-	-	-
Transfers Out	-	-	(30,247)	(30,247)
<i>Total other financing sources (uses)</i>	<u>50,405</u>	<u>50,405</u>	<u>(30,247)</u>	<u>(80,652)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(23,094)	(23,094)
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>55,868</u>	<u>55,868</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,774</u>	<u>\$ 32,774</u>

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2012

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2012	Name and Location of Safekeeper
Peoples Bank	No securities pledged due to Dodd-Frank Act all deposits are 100% insured.		

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2012

Schedule II

<u>Bank Account Type/Name</u>	<u>Peoples Bank</u>	<u>Total</u>
Ambulance Replacement Money Market	\$ 14,429	\$ 14,429
Checking - Operational Account	1,411,172	1,411,172
Checking - Court Bond Account	4,638	4,638
Bond Revenue Account	115,013	115,013
Savings-Solid Waste Equipment Replacement Account	50,313	50,313
Checking-Claimjumper Account	30,247	30,247
Checking- Planning	7,302	7,302
Certificate of Deposit	<u>82,529</u>	<u>82,529</u>
 Total On Deposit	 1,715,643	 1,715,643
 Reconciling Items	 <u>141,162</u>	 <u>141,162</u>
 Reconciled Balance	 <u>\$ 1,574,481</u>	 1,574,481
 Investments in NM State Treasurer		 <u>11,890</u>
 Total June 30, 2012		 <u>\$ 1,586,371</u>

This amount is reflected in the financial statements as follows:

Cash and cash equivalents-Exhibit A-1	\$ 1,491,952
Investments-Exhibit A-1	94,419
	<u>\$ 1,586,371</u>

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COMPLIANCE SECTION

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**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 Office of Management and Budget and
The Town Council
Town of Red River
Red River, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of the general fund and major special revenue funds of the Town of Red River (Town), as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents and have issued our report thereon dated October 4, 2012. We also have audited the financial statements and budgetary comparison schedules of each of the Town's non-major governmental funds and the major capital projects fund and the enterprise fund presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Red River is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing an audit, we considered Town of Red River'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 of Red River's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Red River's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Town of Red River's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of Findings and Responses as items FS-10-02, FS 12-01 and FS 12-02 that we consider to be significant deficiencies in internal control over financial reporting.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Red River's financial statements are free of material misstatement, we performed tests of the Town's 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items FS 10-02, FS 12-01, and FS 12-02.

This report is intended solely for the information and use of management, the audit committee, the New Mexico State Auditor, the New Mexico Department of Finance and Administration, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Precision Accounting LLC
Albuquerque, New Mexico
October 4, 2012

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STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2012

A. FINANCIAL STATEMENT FINDINGS

FS 10-02 Travel and Per Diem (repeated and revised)-Significant Deficiency

CONDITION: In reviewing expenditures for travel and per diem, we noted several instances of non-compliance. One instance of an individual receiving actual reimbursement or mileage per diem of approximately \$1,800 for traveling to Albuquerque to attend paramedic school in order to acquire a certification to be employed by the Town and the reimbursements were not included in the W-2 wages. There were two instances of gas purchases, totaling \$215, with no supporting documentation. Finally there were two instances where town employees charged meals in excess of the maximum daily amount by \$2.

CRITERIA: The Town's Procurement Code, Travel and Per Diem Policy and the anti-donation laws of NM prohibits these types of transactions.

CAUSE OF CONDITION: Unknown

EFFECT OF CONDITION: Apparent violation of the Town's procurement policy, travel and per diem policy and potentially the anti-donation clause of the NM Constitution.

RECOMMENDATION: The Town's Management should review the policies and laws with town employees to ensure proper adherence.

CLIENT RESPONSE: The Town Management will revisit the procurement policy and travel & per diem policy with every Town employee and elected official. Each employee and elected official will have to sign off to reflect acknowledgement and adherence to these policies.

FS-12-01 Utility tap fees waived or adjusted without supporting documentation-Significant Deficiency

CONDITION: During the course of our examination of utility procedures, we noted two instances where utility tap fees were not charged at normal rates and there was no supporting documentation to support the reduced tap rates. The water and sewer tap fees are normally \$1,850, however, one resident was only charged a fee equal to the base rate for 7 months for a total reinstatement fee of \$295. Another resident was charged a fee of \$500 or 50% of the normal fee of \$1,000 for water tap fees. This reinstatement followed a letter from the resident forfeiting the tap fees in a previous year.

REASON IMPROVEMENT NEEDED: Neither of these instances followed the adopted ordinance of the Town. Waiving normal fees without justification is a violation of the Town's ordinance.

CAUSE OF CONDITION: Unknown

EFFECT OF CONDITION: The Town did not collect the "normal" tap fees as spelled out in the ordinance and approved by the Town Council.

RECOMMENDATION: We recommend that the Town management follow the official ordinances of the Town and obtain exception approval from the Town Council when a deviation from the norm is justified.

CLIENT RESPONSE The Town Management will adhere to Town ordinances and obtain Town Council approval prior to a deviation from any and all ordinances.

STATE OF NEW MEXICO
TOWN OF RED RIVER
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2012

FS 12-02 Utility Billing-Significant Deficiency

CONDITION: During our test work of controls over utility billing we found two instances where a customer was not billed in accordance with the utility billing ordinance rate for 4” sewer rates totaling \$ 4.

CRITERIA: The Town of Red River’s utility billing ordinance minimum for 4” sewer is \$443.25 for the first 60,000 gallons and 11.71 for each unit up to 4,000 gallons per unit plus 7.49 per 1000 gallon over the minimum gallons.

CAUSE OF CONDITION: The utility billing rate for the 4 inch sewer was not set up to agree with the ordinance.

EFFECT OF CONDITION: Over-billing customers with the 4” sewer rates.

RECOMMENDATION: The Town needs to review the ordinance to make sure the minimum rates that they present in the ordinance are calculated correctly and that the rates in the utility program agree to the ordinance.

CLIENT RESPONSE: The utility clerk will be attending training at our utility software site to learn our system effectively. The utility clerk will audit accounts monthly to ensure our system is billing our customers according to our ordinances.

B. PRIOR YEAR AUDIT FINDINGS

FS 10-02 Travel and Per Diem-Repeated and Revised

FS 11-01 Payroll Policy violation-Resolved

FS-11-02 Capital Asset Deletions-Resolved

STATE OF NEW MEXICO
TOWN OF RED RIVER
OTHER DISCLOSURES
June 30, 2012

A. AUDITOR PREPARED FINANCIAL STATEMENTS

It would be preferred and desirable for the Town to prepare its own GAAP-basis financial statements; however, it was determined that the Town's personnel, who is qualified to perform this task, does not have the time to prepare them. Although the financial statements are the responsibility of the Town, the preparation of those statements was included in the contract as services to be provided by the auditor. As such the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on September 28, 2012. The following individuals were in attendance.

Town of Red River

Linda Calhoun, Mayor

Russell Church, Town Administrator

Georgiana Rael, Town Clerk/Finance Officer

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CGMA

C. Jack Emmons, CPA, CFE, CGMA