

**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2009**

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## **INTRODUCTORY SECTION**

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**CITY OF SANTA ROSA**  
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**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**OFFICIAL ROSTER**  
June 30, 2009

CITY COUNCIL

Albert E. Campos Jr	Mayor
Alvin Maestas	Mayor Pro-tem
Darrel Gomez	Council Member
Ricardo Muniz	Council Member
Yolanda Chavez	Council Member

CITY OFFICIALS

Timothy P. Dodge	City Administrator
Carol Tapia	City Clerk

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# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Albert Campos Jr., Mayor  
City Councilors  
City of Santa Rosa  
Santa Rosa, New Mexico  
and  
Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We were engaged to audit the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the City of Santa Rosa, as of and for the year ended June 30, 2009, which collectively comprise the City of Santa Rosa's basic financial statements as listed in the table of contents. We were also engaged to audit the financial statements of each of the City of Santa Rosa's nonmajor governmental, nonmajor enterprise, and the budgetary comparisons for the major capital project funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of City of Santa Rosa's management. Our responsibility is to express opinions on these financial statements based on our audit.

The City has not maintained adequate accounting records to ensure the accurate and timely recording of cash accounts and long-term debt amounts. In addition, the City has several material weaknesses and significant deficiencies in internal control. There is insufficient evidence available to determine that the account distributions for revenue and expenditure amounts are accurate and management assertions cannot be adequately examined to afford a basis for opinion. The City's records do not permit the application of other auditing procedures to its revenue, expenditures, capital assets and cash.

Because we were unable to obtain adequate supporting documentation and evidence for the City's revenues, expenditures, capital assets and cash account balances, the scope of our work was not sufficient to enable us to express, and we do not express opinions on the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Rosa as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, Because we were unable to obtain adequate supporting documentation and evidence for the City's revenues, expenditures, capital assets and cash account balances, the scope of our work was not sufficient to enable us to express, and we do not express opinions on the respective financial position of each nonmajor governmental and nonmajor enterprise funds of the City of Santa Rosa as of June 30, 2009, thereof and the respective budgetary comparisons for the major capital project funds and all nonmajor funds for year then ended in conformity with accounting principles generally accepted in the United States of America.

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**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**TABLE OF CONTENTS**  
June 30, 2009

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2012 on our consideration of the City of Santa Rosa'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.

City of Santa Rosa has not presented the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

We were engaged for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" are presented for purposes of additional analysis, and are not a required part of the basic financial statements. 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 directly 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. Because we were unable to obtain adequate supporting documentation and evidence for the City's revenues, expenditures, capital assets and cash account balances, the scope of our work was not sufficient to enable us to express, and we do not express opinions on the information stated.

*Delgado Professional Services, LLC*

Albuquerque, New Mexico  
October 26, 2012

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**BASIC FINANCIAL STATEMENTS**

## STATE OF NEW MEXICO

Exhibit A-1

City of Santa Rosa  
Statement of Net Assets  
June 30, 2009

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 3,157,919	22,433	\$ 3,180,352
Accounts and taxes receivable, net of allowances	263,294	128,530	391,824
Total Current Assets	3,421,213	150,963	3,572,176
Noncurrent Assets			
Restricted cash			
Customer meter deposits	-	49,711	49,711
Repair and replacement	-	27,107	27,107
Solid waste construction	-	71,416	71,416
Debt service reserve	-	-	-
Tourist facilities construction	316,526	-	316,526
Total Restricted Cash	316,526	148,234	464,760
Capital Assets			
Land	1,688,145	158,559	1,846,704
Land improvements	5,324,674	-	5,324,674
Buildings and improvements	5,390,773	127,584	5,518,357
Airport	4,169,387	-	4,169,387
Street improvements	9,113,418	-	9,113,418
Vehicles and equipment	3,754,044	1,230,922	4,984,966
Plant	-	7,567,423	7,567,423
Less: accumulated depreciation	(10,845,947)	(2,816,733)	(13,662,680)
Total Capital Assets	18,594,494	6,267,755	24,862,249
Total Noncurrent Assets	18,911,020	6,415,989	25,327,009
Total Assets	\$ 22,332,233	\$ 6,566,952	\$ 28,899,185

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Exhibit A-1

City of Santa Rosa  
Statement of Net Assets  
June 30, 2009

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	550,471	4,127	\$ 554,598
Accrued salaries and wages	86,739	13,689	100,428
Accrued compensated absences	43,357	-	43,357
Accrued interest payable	33,743	-	33,743
Deposits payable	-	49,711	49,711
Current portion of long term debt	225,963	101,337	327,300
<b>Total Current Liabilities</b>	<b>940,273</b>	<b>168,864</b>	<b>1,109,137</b>
Noncurrent Liabilities			
Bonds payable	3,406,871	792,300	4,199,171
Accrued compensated absences	9,051	9,376	18,427
Landfill closure and post closure	-	1,422,052	1,422,052
Loans and notes payable	1,513,518	42,762	1,556,280
<b>Total Noncurrent Liabilities</b>	<b>4,929,440</b>	<b>2,266,490</b>	<b>7,195,930</b>
<b>Total Liabilities</b>	<b>5,869,713</b>	<b>2,435,354</b>	<b>8,305,067</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	13,448,142	5,331,356	18,779,498
Restricted for:			
Capital projects	158,864	-	158,864
Unrestricted	2,855,514	(1,199,758)	1,655,756
<b>Total Net Assets</b>	<b>16,462,520</b>	<b>4,131,598</b>	<b>20,594,118</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 22,332,233</b>	<b>\$ 6,566,952</b>	<b>\$ 28,899,185</b>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Statement of Activities  
For the Year Ending June 30, 2009

Exhibit A-2

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
General government	\$ 1,198,291	\$ 347,475	\$ 226,682	\$ -
Public safety	920,770	14,767	216,200	-
Public works	918,557	43,843	-	1,135,851
Culture and recreation	1,589,933	36,679	4,906	-
Health and welfare	170,627	18,446	84,804	-
Depreciation - unallocated	1,244,578	-	-	-
Interest on long-term debt	(148,320)	-	-	-
<i>Total governmental activities</i>	<u>5,894,436</u>	<u>461,210</u>	<u>532,592</u>	<u>1,135,851</u>
<b>Business-type Activities:</b>				
Water/Sewer	1,271,359	813,726	-	173,148
Solid Waste	520,792	299,885	-	-
<i>Total business type activities</i>	<u>1,792,151</u>	<u>1,113,611</u>	<u>-</u>	<u>173,148</u>
<i>Total</i>	<u>\$ 7,686,587</u>	<u>\$ 1,574,821</u>	<u>\$ 532,592</u>	<u>\$ 1,308,999</u>

**General Revenues:**

Taxes

  Property taxes

  Franchise taxes

  Cigarette taxes

  Gross receipts taxes

  Motor vehicle taxes

  Gas taxes

  Lodgers tax

Interest income

Miscellaneous income

Transfers

Total General Revenues and Transfers

Excess (deficiency) of revenues over expenses

Change in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Statement of Activities  
For the Year Ending June 30, 2009

Exhibit A-2

<b>Net (Expense) Revenue and Changes in Net Assets</b>		
Primary Government		
Government Activities	Business Type Activities	Total
\$ (624,134)	\$ -	\$ (624,134)
(689,803)	-	(689,803)
261,137	-	261,137
(1,548,348)	-	(1,548,348)
(67,377)	-	(67,377)
(1,244,578)	-	(1,244,578)
148,320	-	148,320
<u>(3,764,783)</u>	<u>-</u>	<u>(3,764,783)</u>
-	(284,485)	(284,485)
-	(220,907)	(220,907)
<u>-</u>	<u>(505,392)</u>	<u>(505,392)</u>
<u>(3,764,783)</u>	<u>(505,392)</u>	<u>(4,270,175)</u>
224,822	-	224,822
19,922	-	19,922
6,565	-	6,565
2,127,224	129,855	2,257,079
6,732	-	6,732
206,224	-	206,224
556,879	-	556,879
8,189	(859)	7,330
144,700	24,301	169,001
(32,692)	32,692	-
<u>3,268,565</u>	<u>185,989</u>	<u>3,454,554</u>
<u>(496,218)</u>	<u>(319,403)</u>	<u>(815,621)</u>
(496,218)	(319,403)	(815,621)
<u>16,958,738</u>	<u>4,451,001</u>	<u>21,409,739</u>
<u>\$ 16,462,520</u>	<u>\$ 4,131,598</u>	<u>\$ 20,594,118</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit B-1

City of Santa Rosa  
Balance Sheet  
Governmental Funds  
June 30, 2009

	General Fund	Lodger's Tax Fund	Downtown Improvements	CDBG South 2nd Street	Other Governmental Funds	Total
<i>Assets</i>						
Cash and cash equivalents	\$ 629,681	\$ 2,410,228	\$ 99,307	\$ 974	\$ 334,255	\$ 3,474,445
Accounts and taxes receivable	205,153	40,910	-	-	17,231	263,294
<i>Total assets</i>	<u>\$ 834,834</u>	<u>\$ 2,451,138</u>	<u>\$ 99,307</u>	<u>\$ 974</u>	<u>\$ 351,486</u>	<u>\$ 3,737,739</u>
<i>Liabilities and fund balances</i>						
<i>Liabilities</i>						
Accounts payable	\$ 17,292	\$ 17,307	\$ 156,850	\$ 186,468	\$ 172,554	\$ 550,471
Accrued salaries and wages	79,618	-	-	-	7,121	86,739
<i>Total liabilities</i>	<u>96,910</u>	<u>17,307</u>	<u>156,850</u>	<u>186,468</u>	<u>179,675</u>	<u>637,210</u>
<i>Fund balances</i>						
Reserved for:						
Capital outlay	-	-	(57,543)	(185,494)	483,922	240,885
Unreserved:						
Undesignated, reported in:						
General fund	737,924	-	-	-	-	737,924
Special revenue funds	-	2,433,831	-	-	(312,111)	2,121,720
<i>Total fund balances</i>	<u>737,924</u>	<u>2,433,831</u>	<u>(57,543)</u>	<u>(185,494)</u>	<u>171,811</u>	<u>3,100,529</u>
<i>Total liabilities and fund balances</i>	<u>\$ 834,834</u>	<u>\$ 2,451,138</u>	<u>\$ 99,307</u>	<u>\$ 974</u>	<u>\$ 351,486</u>	<u>\$ 3,737,739</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Reconciliation of the Balance Sheet to the Statement of Net Assets  
Governmental Funds  
June 30, 2009

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	\$ 3,100,529
------------------------------------------	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	18,594,494
--------------------------------------------------------------------------------------------------------------------------	------------

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds

Accrued interest payable	(33,743)
Accrued compensated Absences	(52,408)
Bonds payable	(3,632,834)
Notes payable	<u>(1,513,518)</u>

Net assets of governmental activities	<u><u>\$ 16,462,520</u></u>
---------------------------------------	-----------------------------

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ending June 30, 2009

	General Fund	Lodger's Tax Fund	Downtown Improvements	CDBG South 2nd Street	Other Governmental Funds	Total
<i>Revenues:</i>						
Property taxes	\$ 224,822	\$ -	\$ -	\$ -	\$ -	\$ 224,822
Lodgers taxes	-	556,879	-	-	-	556,879
Franchise taxes	19,922	-	-	-	-	19,922
Cigarette taxes	4,371	-	-	-	2,194	6,565
Gross receipts taxes	2,127,224	-	-	-	-	2,127,224
MVD taxes	6,732	-	-	-	-	6,732
Gas taxes	-	-	-	-	206,224	206,224
Charges for services	323,390	-	-	-	41,811	365,201
Licenses and permits	26,522	-	-	-	18,730	45,252
Fines and forfeitures	50,563	-	-	-	-	50,563
Local sources	172,403	-	-	-	27,272	199,675
State grants	59,157	15,500	382,552	-	426,018	883,227
Federal grants	-	-	-	-	585,441	585,441
Interest income	1,491	143	53	6	6,496	8,189
Miscellaneous	116,366	1,170	100	-	27,358	144,994
	<u>3,132,963</u>	<u>573,692</u>	<u>382,705</u>	<u>6</u>	<u>1,341,544</u>	<u>5,430,910</u>
<i>Expenditures:</i>						
<i>Current:</i>						
General Government	1,022,527	-	-	-	224,772	1,247,299
Public Safety	721,155	-	-	-	146,619	867,774
Public Works	206,261	-	92,118	52,340	172,302	523,021
Culture and Recreation	768,988	802	-	-	476,041	1,245,831
Health and Welfare	-	-	-	-	169,589	169,589
Capital Outlay	40,272	17,307	444,428	186,468	1,291,356	1,979,831
<i>Debt Service:</i>						
Principal	97,252	-	-	-	105,139	202,391
Interest	109,589	-	-	-	72,474	182,063
	<u>2,966,044</u>	<u>18,109</u>	<u>536,546</u>	<u>238,808</u>	<u>2,658,292</u>	<u>6,417,799</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>166,919</u>	<u>555,583</u>	<u>(153,841)</u>	<u>(238,802)</u>	<u>(1,316,748)</u>	<u>(986,889)</u>
<i>Other financing sources (uses)</i>						
Transfers In	135,909	-	-	53,308	320,355	509,572
Transfers (Out)	<u>(305,025)</u>	<u>(215,556)</u>	<u>-</u>	<u>-</u>	<u>(21,683)</u>	<u>(542,264)</u>
<i>Total other financing sources (uses)</i>	<u>(169,116)</u>	<u>(215,556)</u>	<u>-</u>	<u>53,308</u>	<u>298,672</u>	<u>(32,692)</u>
<i>Net change in fund balance</i>	(2,197)	340,027	(153,841)	(185,494)	(1,018,076)	(1,019,581)
<i>Fund balance - beginning of year</i>	<u>740,121</u>	<u>2,093,804</u>	<u>96,298</u>	<u>-</u>	<u>1,189,887</u>	<u>4,120,110</u>
<i>Fund balance - end of year</i>	<u>\$ 737,924</u>	<u>\$ 2,433,831</u>	<u>\$ (57,543)</u>	<u>\$ (185,494)</u>	<u>\$ 171,811</u>	<u>\$ 3,100,529</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ending June 30, 2009

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

Net change in fund balances - total governmental funds	\$ (1,019,581)
--------------------------------------------------------	----------------

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 expenditures	1,370,889
Depreciation expense	(1,244,578)

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:

Principal payments on long term debt	202,391
Decrease in accrued interest payable	148,320
Decrease in accrued compensated absences	<u>46,341</u>

Change in net assets of governmental activities	<u><u>\$ (496,218)</u></u>
-------------------------------------------------	----------------------------

## STATE OF NEW MEXICO

Statement C-1

City of Santa Rosa

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
	<i>Revenues:</i>			
Taxes	\$ 176,277	\$ 176,277	\$ 188,163	\$ 11,886
Franchise taxes	24,000	24,000	19,922	(4,078)
Cigarette Taxes	4,000	4,000	4,943	943
Gross Receipts-Municipal	2,090,000	2,090,000	2,142,765	52,765
MVD taxes	9,000	9,000	10,872	1,872
Charges for services	239,840	239,840	323,390	83,550
Licenses	8,800	8,800	26,522	17,722
Fines & Forfeitures	45,300	45,300	34,547	(10,753)
Local sources	172,000	172,000	183,524	11,524
State Grants	73,110	73,110	59,157	(13,953)
Interest Income	507	507	1,491	984
Miscellaneous	48,550	48,550	110,811	62,261
<i>Total revenues</i>	<u>2,891,384</u>	<u>2,891,384</u>	<u>3,106,107</u>	<u>214,723</u>
<i>Expenditures:</i>				
Current:				
General Government	869,912	869,912	998,045	(128,133)
Public Safety	695,733	695,733	718,253	(22,520)
Public Works	176,900	176,900	214,590	(37,690)
Culture and Recreation	679,744	679,744	755,583	(75,839)
Capital Outlay	93,890	93,890	40,272	53,618
Debt Service:				
Principal	110,202	110,202	97,252	12,950
Interest	74,865	74,865	109,589	(34,724)
<i>Total expenditures</i>	<u>2,701,246</u>	<u>2,701,246</u>	<u>2,933,584</u>	<u>(232,338)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>190,138</u>	<u>190,138</u>	<u>172,523</u>	<u>(17,615)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(13,216)	(13,216)	-	13,216
Transfers In	99,540	99,540	135,909	36,369
Transfers Out	(276,462)	(276,462)	(305,025)	(28,563)
<i>Total other financing sources (uses)</i>	<u>(190,138)</u>	<u>(190,138)</u>	<u>(169,116)</u>	<u>21,022</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	3,407	3,407
<i>Fund Balance - Beginning of Year</i>	-	-	626,274	626,274
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,681</u>	<u>\$ 629,681</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			26,856	
Expenditure accruals			(32,460)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (2,197)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement C-2

City of Santa Rosa

Lodger's Tax Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 332,000	\$ 332,000	\$ 556,879	\$ 224,879
Franchise taxes	-	-	-	-
Cigarette Taxes	-	-	-	-
Gross Receipts-Municipal	-	-	-	-
MVD taxes	-	-	-	-
Gas Taxes	-	-	-	-
Charges for services	-	-	-	-
State Grants	13,000	13,000	15,500	2,500
Federal grants	-	-	-	-
Interest Income	-	-	143	143
Miscellaneous	-	-	1,170	1,170
<i>Total revenues</i>	<u>345,000</u>	<u>345,000</u>	<u>573,692</u>	<u>228,692</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	802	(802)
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>802</u>	<u>(802)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>345,000</u>	<u>345,000</u>	<u>572,890</u>	<u>227,890</u>
<i>Other financing sources (uses)</i>				
Designated Cash	22,660	22,660	-	(22,660)
Transfers In	(367,660)	(367,660)	(215,556)	152,104
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(345,000)</u>	<u>(345,000)</u>	<u>(215,556)</u>	<u>129,444</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	357,334	357,334
<i>Fund Balance - Beginning of Year</i>	-	-	2,052,894	2,052,894
<i>Restatements</i>	-	-	-	-
<i>Fund balance restated, beg of year</i>	-	-	2,052,894	2,052,894
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,410,228</u>	<u>\$ 2,410,228</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(17,307)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 340,027</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Santa Rosa  
 Proprietary Funds  
 Statement of Net Assets  
 June 30, 2009

Exhibit D-1

Page 1 of 2

	<u>Water/Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash	\$ 19,729	\$ 2,704	\$ 22,433
Accounts receivable	101,268	27,262	128,530
Due from other funds	18,844	-	18,844
<i>Total current assets</i>	<u>139,841</u>	<u>29,966</u>	<u>169,807</u>
<i>Restricted Assets (Cash)</i>			
Customer deposits	49,711	-	49,711
Repair and replacement	27,107	-	27,107
Solid waste construction	-	71,416	71,416
<i>Total Restricted Assets (Cash)</i>	<u>76,818</u>	<u>71,416</u>	<u>148,234</u>
<i>Non-current assets</i>			
Land	158,559	-	158,559
Equipment	124,313	866,355	990,668
Vehicles	230,552	9,702	240,254
Plant	7,147,281	420,142	7,567,423
Buildings	127,584	-	127,584
Accumulated depreciation	<u>(2,337,356)</u>	<u>(479,377)</u>	<u>(2,816,733)</u>
<i>Total Capital assets</i>	<u>5,450,933</u>	<u>816,822</u>	<u>6,267,755</u>
<i>Total Assets</i>	<u><u>5,667,592</u></u>	<u><u>918,204</u></u>	<u><u>6,585,796</u></u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

City of Santa Rosa  
Proprietary Funds  
Statement of Net Assets  
June 30, 2009

Exhibit D-1

Page 2 of 2

*Liabilities and Net Assets**Liabilities:**Current liabilities*

Accounts payable	4,066	61	4,127
Accrued salaries and wages	7,921	5,768	13,689
Customer meter deposits	49,711	-	49,711
Due to other funds	8,312	10,532	18,844
Current revenue bonds payable	11,000	-	11,000
Current maturity of notes payable	-	90,337	90,337
<i>Total current liabilities</i>	<u>81,010</u>	<u>106,698</u>	<u>187,708</u>

*Noncurrent liabilities*

Revenue bonds payable	792,300	-	792,300
Notes payable	-	42,762	42,762
Compensated absences	4,795	4,581	9,376
Landfill closure and post closure liability	-	1,422,052	1,422,052
<i>Total noncurrent liabilities</i>	<u>797,095</u>	<u>1,469,395</u>	<u>2,266,490</u>

*Total liabilities*

	<u>878,105</u>	<u>1,576,093</u>	<u>2,454,198</u>
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*Net Assets:*

Invested in capital assets, net of related de	4,850,512	668,208	5,518,720
Unrestricted	(169,311)	(1,326,097)	(1,495,408)
Restricted for repair and replacement	108,286	-	108,286

*Total net assets*

	<u>4,789,487</u>	<u>(657,889)</u>	<u>4,131,598</u>
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*Total Liabilities and Net Assets*

	<u>\$ 5,667,592</u>	<u>\$ 918,204</u>	<u>\$ 6,585,796</u>
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The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

Exhibit D-2

City of Santa Rosa  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	Water/Sewer Fund	Solid Waste Fund	Total
<i>Operating revenues:</i>			
Charges for services	\$ 813,636	\$ 299,885	\$ 1,113,521
<i>Total operating revenues</i>	<u>813,636</u>	<u>299,885</u>	<u>1,113,521</u>
<i>Operating expenses:</i>			
Personal services	278,343	270,538	548,881
Maintenance and operations	720,535	194,045	914,580
Depreciation expense	236,149	50,150	286,299
<i>Total operating expenses</i>	<u>1,235,027</u>	<u>514,733</u>	<u>1,749,760</u>
<i>Operating income (loss)</i>	<u>(421,391)</u>	<u>(214,848)</u>	<u>(636,239)</u>
<i>Non-operating revenues (expenses):</i>			
Interest income	247	(1,106)	(859)
Interest expense	(36,332)	(6,059)	(42,391)
Federal grants	173,148	-	173,148
Environmental gross receipts	39,767	90,088	129,855
Miscellaneous income	18,159	6,232	24,391
<i>Total non-operating revenues (expenses)</i>	<u>194,989</u>	<u>89,155</u>	<u>284,144</u>
Transfers In	36,402	146,648	183,050
Transfers Out	(89,710)	(60,648)	(150,358)
<i>Net transfers</i>	<u>(53,308)</u>	<u>86,000</u>	<u>32,692</u>
<i>Change in net assets</i>	(279,710)	(39,693)	(319,403)
<i>Total net assets, beginning of year</i>	<u>5,069,197</u>	<u>(618,196)</u>	<u>4,451,001</u>
<i>Total net assets, end of year</i>	<u>\$ 4,789,487</u>	<u>\$ (657,889)</u>	<u>\$ 4,131,598</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
City of Santa Rosa  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2009

Exhibit D-3

	Water/Sewer Fund	Solid Waste	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 814,946	\$ 305,679	\$ 1,120,625
Cash payments to employees and suppliers	(1,025,687)	(477,897)	(1,503,584)
<i>Net cash used for operating activities</i>	(210,741)	(172,218)	(382,959)
<i>Cash flows from noncapital financing activities:</i>			
Miscellaneous income	18,159	6,232	24,391
Cash received from federal grants	173,148	-	173,148
Environmental gross receipts	39,767	90,088	129,855
Increase in liability for landfill closure and post-closure	-	(60,648)	(60,648)
<i>Net cash provided from noncapital financing activities:</i>	231,074	35,672	266,746
<i>Cash flows from capital and related financing activities:</i>			
Acquisition of capital assets	(284,103)	-	(284,103)
Operating transfers	(53,308)	86,000	32,692
Interest expense	(36,332)	(6,059)	(42,391)
Interest income	247	-	247
Loan/Bond Payments	(10,000)	(44,701)	(54,701)
Investment income	-	(1,106)	(1,106)
<i>Net cash provided from capital and related financing activities:</i>	(383,496)	34,134	(349,362)
<i>Net increase in cash and cash equivalents</i>	(363,163)	(102,412)	(465,575)
<i>Cash and cash equivalents - beginning of year</i>	459,710	176,532	636,242
<i>Cash and cash equivalents - end of year</i>	\$ 96,547	\$ 74,120	\$ 170,667
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>			
<i>by operating activities</i>			
Operating income (loss)	(421,391)	(214,848)	(636,239)
Adjustments to reconcile operating (loss) to net cash (used)	<i>by operating activities</i>		
Depreciation	249,001	50,150	299,151
Changes in assets and liabilities			
Receivables	1,310	5,794	7,104
Accrued compensated absences	(18,475)	(16,383)	(34,858)
Due to/from other funds	(10,532)	10,532	-
Accrued salaries and wages	(29,669)	5,768	(23,901)
Accounts payable	19,015	(13,231)	5,784
<i>Net cash (used) by operating activities</i>	(210,741)	\$ (172,218)	\$ (382,959)

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 1. Summary of Significant Accounting Policies**

The City of Santa Rosa (City) was incorporated under provisions of the Municipal Code of the State of New Mexico (Sec. 14-2-1 et-Seq. 1953 Comp). The City operates under a Mayor-Council form of government and provides the following services: public safety (police, emergency and fire), public works (highways and streets), culture and recreation (community services), health and social services, judicial, development, legal, engineering and general administrative services.

The summary of significant accounting policies of the City of Santa Rosa is presented to assist in the understanding of the City of Santa Rosa's financial statements. The financial statements and notes are the representation of the City of Santa Rosa's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. 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 government's accounting policies are described below.

**A. Financial Reporting Entity**

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The 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 City of Santa Rosa and/or its citizens, or whether the activity is conducted within the geographic boundaries of the City of Santa Rosa and is generally available to 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 City is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no component units included in the reporting entity.

**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*.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Separate financial statements are provided for governmental funds and proprietary funds 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.

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

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 City'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**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

The *General Fund* which is to account for resources traditionally associated with governments which are not required to be accounted for in another fund. This fund includes the Operations accounts, the Airport account which is the operations of the airport and the Golf account which is the operations of the golf course. The Airport account and the Golf account are subsidized by the City for any operating deficits.

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

The *Government Lodger's Tax Fund* is to account for the administration of a City promotional effort. Funds are derived from a lodger's tax imposed on motel rentals. (Authority is NMSA 3-38-13).

The *Downtown Improvements Fund* to account for a transfer from the general fund to improve the Downtown area and to eventually promote tourism.

The *CDBG South 2<sup>nd</sup> Street* for infrastructure and utilities for 2<sup>nd</sup> street.

The government reports its proprietary funds as major governmental funds.

The *Water and Sewer Fund* is to account for the operations of the City's Water and Sewer Department, for meter deposits and payment of Joint Utility revenue bonds.

The *Solid Waste Fund* is to account for the operations of the (contracted) solid waste services.

Additionally, the government reports the following fund types:

The *fiduciary funds-agency funds* are used to account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the City.

The City also reports additional Government funds as non-major. They include:

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

Capital Projects Funds – These funds are used to account for the acquisition of capital assets or construction of major capital projects.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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*.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the wastewater, solid waste, and sewer funds are charges to customers for sales and services. The wastewater fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:** The City'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. For purposes of the Statement of Cash Flows, the City considers all highly liquid investments including restricted cash assets to be cash equivalents.

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

Investments for the City are reported at cost.

**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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances."

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 City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Guadalupe County bills, collects and remits the City of Santa Rosa's share of property taxes.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 1      Summary of Significant Accounting Policies (continued)**

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

**Inventories:** Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are reported at cost, and expenditures are recorded at the time individual inventory items are purchased. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when purchased.

**Restricted Assets:** Certain proceeds of enterprise fund revenue bonds and governmental fund revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The “debt service reserve” account is used to report resources set aside for the purpose of debt service repayments. Also, meter deposits are not assets but “deposits held in trust for others.”

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

The City does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the City does not capitalize library books unless they exceed the \$5,000 threshold.

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:

<u>Assets</u>	<u>Years</u>
Buildings	33
Buildings & improvements	33
Public domain infrastructure	33
System infrastructure	33
Vehicles	3-5
Office equipment	3-10
Heavy equipment	3-10

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**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**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:** Vested or accumulated vacation leave that is expected to be liquidated within the next twelve months with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated within the next twelve months are reported in the government-wide statement of net assets. The maximum amount of leave that can be carried over is 80 hours. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

Vacation leave is accrued as follows:

- 80 hours for 1 to 10 years of employment
- 100 hours for 11 to 14 years of employment
- 120 hours for 15 years or more of employment

**Long-term Obligations:** In the government-wide fund financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

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

Investment in capital assets, net of related debt- This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets- This category reflects the portion of net assets that have third party limitation on their use.

Unreserved, designated for subsequent year's expenditures- This represents the amounts, other than carryover expenditures, which are designated for subsequent year's expenditures in accordance with grantor status.

Unreserved, undesignated- Amounts which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the City.

**Interfund Transactions:** 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 nonroutine 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.

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**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

The original reporting budget is coordinated and prepared by the City Manager and staff. The budget is brought before the City Council for approval. The approved budget is then presented to the State of New Mexico, Department of Finance and Administration for approval. Amendments to the budget including operating transfers, must follow the same process as the original budget. Adjustments and other amendments made to the original budget have been included in the budgetary comparison statements of this report. The Department of Finance and Administration exercises budget control at the fund level. The budgets of all individual funds may not be legally over expended. All appropriations lapse at year end. The City does not use encumbrance accounting.

Budgets and amendments to the budgets, for all governmental and proprietary type funds are adopted in a legally permissible manner. The budgets presented in the financial statements are considered to be adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for these funds are on a Non-GAAP (cash) budgetary basis.

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of City 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 City properly followed State investment requirements as of June 30, 2009.

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 City. 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.

The collateral pledged is listed on Schedule 1 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation (FDIC), 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. However, on October 14, 2008, the FDIC announced a new Transaction Account Guarantee Program, that provides depositors' with unlimited coverage for noninterest-bearing transaction accounts. With regards to this Transaction Guarantee Program, Noninterest-bearing checking accounts include Demand Deposit Accounts (DDA's) and any other transaction accounts that has unlimited withdrawals and that cannot earn interest. Also included in this programs, are low-interest NOW accounts that cannot earn more than 0.5% interest. This program is scheduled to end December 31, 2009.

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**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 City's deposits:

	Wells Fargo Bank
Amount of Deposits	\$ 1,624,682
FDIC Coverage	(250,000)
Total uninsured public funds	1,374,682
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	
	1,973,068
Uninsured and uncollateralized	\$ (598,386)
Collateral requirement (50% of uninsured public funds)	
Pledged collateral	687,341
(Over)/under collateralized	1,973,068 \$ (1,285,727)

Custodial Credit Risk – *Deposits*. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-3, NMSA 1978). At June 30, 2009, \$1,374,682 of the City's bank balance of \$1,624,682 was exposed to custodial credit risk. There is no amount that is uninsured and collateralized.

**NOTE 4. Receivables**

Accounts receivable at June 30, 2009, consisted of the following:

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Lodger's Tax Fund</u>	<u>Non-Major Funds</u>	<u>Proprietary Funds</u>	<u>Total Primary Government</u>
State of New Mexico					
Property Taxes	\$ 41,319	\$ -	\$ -	\$ -	\$ 41,319
Other Taxes:					
Gross Receipts Tax	160,468	-	-	-	160,468
Lodger's Tax	-	40,910	-	-	40,910
Gasoline and Oil Taxes	-	-	17,231	-	17,231
Other Receivables:					
Licenses and Fees	-	-	-	128,530	128,530
Miscellaneous	3,366	-	-	-	3,366
<b>Totals</b>	<b>\$ 205,153</b>	<b>\$ 40,910</b>	<b>\$ 17,231</b>	<b>\$ 128,530</b>	<b>\$ 391,824</b>



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**NOTE 5. Interfund Receivables, Payables, and Transfers**

Net operating transfers, made to supplement other funding sources, were as follows:

Governmental Activities:	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 21,683	\$ 305,025
Airport Fund	5,066	-
Golf Fund	109,160	-
Local Government Corrections Fund	5,000	-
EMS Fund	315	-
Fire Protection Fund	-	21,621
Senior Citizens Nutrition Fund	55,000	-
Law Enforcement Protection Fund	484	-
Lodger's Tax Fund	-	215,556
Tourism/Convention Center Fund	210,556	62
Mainstreet Fund	5,000	-
Planning Grant Natural Gas Fund	7,000	-
Los Amigos Fund	37,000	-
CDBG South 2nd Street Fund	53,308	-
Total	<u>509,572</u>	<u>542,264</u>
 Business Type Activities:		
Solid Waste Fund	146,648	60,648
Water/Sewer Funds	36,402	89,710
Total Business Type Activities	<u>183,050</u>	<u>150,358</u>
 Total Primary Government	 <u>\$ 692,622</u>	 <u>\$ 692,622</u>

Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Interfund receivables and payables represent short-term loans and are expected to be repaid within one year.

Business Type Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Water Fund	\$ 18,844	\$ -
Sewer Fund	-	4,955
Solid Waste Fund	-	10,532
Meter Deposit Fund	-	3,357
Total	<u>\$ 18,844</u>	<u>\$ 18,844</u>

The Water, Sewer and Meter Deposit funds are combined into one fund for the financial statements.

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**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2009 follows. Land is not subject to depreciation.

**Governmental Activities:**

	<b>Balance June 30, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2009</b>
Capital Assets, Not being Depreciated:				
Land	\$ 1,688,145	\$ -	\$ -	\$ 1,688,145
Net Capital Assets, Not being Depreciated:	<u>1,688,145</u>	<u>-</u>	<u>-</u>	<u>1,688,145</u>
Capital Assets Being Depreciated:				
Land Improvements	5,324,673	-	-	5,324,673
Buildings & Improvements	5,162,550	228,223	-	5,390,773
Airport	4,012,347	157,040	-	4,169,387
Street Improvements	8,220,078	893,340	-	9,113,418
Vehicles & Equipment	3,256,693	497,351	-	3,754,044
Total Government Assets	<u>27,664,486</u>	<u>1,775,954</u>	<u>-</u>	<u>29,440,440</u>
Less: Accumulated Depreciation:	<u>9,601,369</u>	<u>1,244,578</u>	<u>-</u>	<u>10,845,947</u>
Net Book Value	<u>\$ 18,063,117</u>	<u>\$ 531,376</u>	<u>\$ -</u>	<u>\$ 18,594,493</u>

Depreciation expense, in the amount of \$1,244,578, for the year ended June 30, 2009 was unallocated by function.

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**NOTE 6. Capital Assets (continued)**

**Business Type-Activities:**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital Assets, Not being Depreciated:				
Land	\$ 158,559	\$ -	\$ -	\$ 158,559
Net Capital Assets, Not being Depreciated:	<u>158,559</u>	<u>-</u>	<u>-</u>	<u>158,559</u>
Capital Assets Being Depreciated:				
Buildings	127,584	-	-	127,584
Equipment	118,244	25,000	-	143,244
Heavy Equipment	847,424	-	-	847,424
Vehicles	240,254	-	-	240,254
Plant	<u>7,308,320</u>	<u>259,103</u>	<u>-</u>	<u>7,567,423</u>
Total Government Assets	<u>8,800,385</u>	<u>284,103</u>	<u>-</u>	<u>9,084,488</u>
Less Accumulated Depreciation:				
Buildings	58,401	6,939	-	65,340
Equipment	91,048	10,819	-	101,867
Heavy Equipment	337,252	40,074	-	377,326
Vehicles	234,925	27,915	-	262,840
Plant	<u>1,795,956</u>	<u>213,404</u>	<u>-</u>	<u>2,009,360</u>
Total Accumulated Depreciation	<u>2,517,582</u>	<u>299,151</u>	<u>-</u>	<u>2,816,733</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2009 totaled \$299,151, and was charged to the Public Works function.

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**NOTE 7. Long-term Debt**

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

Governmental Long-Term Debt:

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>
	<b>June 30, 2008</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2009</b>	<b>Maturities</b>
Revenue bonds series 2006A	\$ 1,849,770	\$ -	\$ 69,200	\$ 1,780,570	\$ 71,495
Revenue bonds series 2006B	1,837,552	-	68,738	1,768,814	71,018
NMFA Loan-Firefighting equip	34,965	-	11,426	23,539	11,650
NMFA Loan-Fire tanker	85,635	-	11,718	73,917	11,861
NMFA Loan-Police vehicles	13,257	-	13,257	-	-
NMFA Loan-Golf course inf imp	206,961	-	10,259	196,702	10,316
NMFA Loan-Asst liv facility	915,538	-	17,793	897,745	21,113
NMFA Loan - Fire Pumper	-	347,753	-	347,753	28,510
NMFA Loan -Police Vehicles	-	57,312	-	57,312	-
Compensated absences	98,749	43,357	89,698	52,408	43,357
<b>Total Long-Term Debt</b>	<b>\$ 5,042,427</b>	<b>\$ 448,422</b>	<b>\$ 292,089</b>	<b>\$ 5,198,760</b>	<b>\$ 269,320</b>

The annual requirements to amortize the governmental long term debt to NMFA as of June 30, 2009, are as follows:

Governmental Funds-NMFA Loans

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2010	\$ 83,450	\$ 50,517	\$ 133,967
2011	111,791	49,178	160,969
2012	101,075	47,697	148,772
2013	102,411	46,294	148,705
2014	103,956	44,665	148,621
2015-2019	345,305	193,651	538,956
2020-2024	211,469	157,453	368,922
Therafter	537,511	179,897	717,408
	<b>\$ 1,596,968</b>	<b>\$ 769,352</b>	<b>\$ 2,366,320</b>

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**NOTE 7. Long-term Debt (continued)**

The annual requirements to amortize the governmental bonds as of June 30, 2009 including interest payments are as follows:

Governmental Funds-Bonds

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2010	\$ 142,513	\$ 136,630	\$ 279,143
2011	147,278	131,878	279,156
2012	152,294	126,876	279,170
2013	157,616	121,566	279,182
2014	163,240	115,956	279,196
2015-2019	911,208	485,008	1,396,216
2020-2024	1,101,663	295,029	1,396,692
Therafter	773,572	64,724	838,296
	<u>\$ 3,549,384</u>	<u>\$ 1,477,667</u>	<u>\$ 5,027,051</u>

**Business-Type Long-Term Debt**

The proprietary funds have incurred various forms of debt which were used to purchase a bulldozer and refuse truck for the solid waste fund and they obtained the bonds for their water distribution system. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2009:

Business-Type Long-Term Debt:

	<b>Balance June 30, 2008</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2009</b>	<b>Current Maturities</b>
Revenue bonds series 2001A	\$ 236,300	\$ -	\$ 3,000	\$ 233,300	\$ 4,000
Revenue bonds series 2001B	185,000	-	3,000	182,000	3,000
Revenue bonds series 2006	392,000	-	4,000	388,000	4,000
NMFA Loan-Bulldozer	60,634	-	30,112	30,522	30,522
NMFA Loan-Refuse Truck	117,166	-	14,589	102,577	15,138
Compensated Absences	44,234	11,620	46,487	9,367	-
Total Long-Term Debt	<u>\$ 1,035,334</u>	<u>\$ 11,620</u>	<u>\$ 101,188</u>	<u>\$ 945,766</u>	<u>\$ 56,660</u>

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**NOTE 7. Long-term Debt (continued)**

The annual requirements to amortize the business-type long term debt to NMFA as of June 30, 2009, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2010	\$ 45,660	\$ 4,708	\$ 50,368
2011	15,712	6,260	21,972
2012	16,309	2,664	18,973
2013	16,931	2,043	18,974
2014	17,583	1,393	18,976
2015-2019	20,904	712	21,616
	<u>\$ 133,099</u>	<u>\$ 17,780</u>	<u>\$ 150,879</u>

The annual requirements to amortize the business-type bonds as of June 30, 2009 including interest payments are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2010	\$ 11,000	\$ 34,128	\$ 45,128
2011	12,000	33,783	45,783
2012	12,000	33,284	45,284
2013	12,000	32,685	44,685
2014	12,000	32,186	44,186
2015-2019	72,000	152,627	224,627
2020-2024	89,000	136,037	225,037
2025-2029	111,000	115,774	226,774
Thereafter	472,300	163,218	635,518
	<u>\$ 803,300</u>	<u>\$ 733,722</u>	<u>\$ 1,537,022</u>

**NOTE 8. Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,422,052 reported as landfill closure and post-closure care liability at June 30, 2009 represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

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**NOTE 9. Risk Management**

The City 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 City carries commercial insurance of these risks of loss, including workers' compensation and employee health and accident insurance.

**NOTE10. 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:* The funds with deficit fund balances as of June 30, 2009 were as follows

<b>Major Funds:</b>	
Downtown Improvements Fund	\$ 57,543
CDBG South 2 <sup>nd</sup> Street Fund	185,494
<b>NonMajor Funds:</b>	
Lodger's Tax Promotional Fund	242,711
CDBG Economic Develop Grant Dive Center Fund	<u>34,379</u>
Total Governmental Funds	<u>\$ 520,127</u>
<b>Proprietary Funds:</b>	
Solid Waste Fund	<u>\$ 657,889</u>
<b>Total All Funds</b>	<u><u>\$ 1,178,016</u></u>

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

<b>Major Funds:</b>	
General Fund	\$ 232,338
Lodger's Tax Fund	802
CDBG 2 <sup>nd</sup> Street Fund	52,340
<b>Nonmajor Funds:</b>	
EMS Fund	5,944
Law Enforcement Protection Fund	486
Lodger's Tax Promotional Fund	17,711
EMS, Fire & Rescue Fund	2,948
Tourism/Convention Center Fund	199,002
Mainstreet Fund	1,978
Blue Hole Improvements Fund	28
Airport Construction Fund	164,094
2007 MAP Project Fund	12,836
Planning Grant Comp Master Plan Fund	13,858
Scenic By-Way	<u>5,978</u>
<b>Total All Funds</b>	<u><u>\$ 710,343</u></u>

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**NOTE 11. Pension Plan – Public Employees Retirement Association**

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

**Funding Policy.** Plan members are required to contribute a percentage of their gross salary 13.15% for regular employees and 12.35% for police. The City is required to contribute 9.15% for regular employees and 18.5% for police of the gross covered salary. The contribution requirements of plan members and the Agency are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Agency’s contributions to PERA for the fiscal years ending June 30, 2009, 2008 and 2007 were \$140,716, \$148,684 and \$131,549, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12. Post-Employment Benefits**

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also



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**NOTE 12. Post-Employment Benefits (continued)**

required to make a surplus amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. For the fiscal years ended June 30, 2009, 2008, and 2007, City of Santa Rosa remitted \$18,445, \$17,168, and \$15,727 in employer contributions, respectively, to the Retiree Health Care Authority.

**NOTE 13. Contingent Liabilities**

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

**NOTE 14. Federal and State Grants**

In the normal course of operations, the City 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. Subsequent Accounting Standard Pronouncements**

In July 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for periods beginning after June 15, 2009. For governments that were classified as phase 1 or phase 2 governments, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated. Retroactive reporting of these intangible assets by phase 3 governments is encouraged but not required. Retroactive reporting is not required but is permitted for intangible assets considered to have indefinite useful lives as of the effective date of this Statement and those considered to be internally generated. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The City is analyzing the effect that this standard will have on the financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010 with earlier implementation encouraged. GASB Statement No. 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. The City is analyzing the effect that this standard will have on the financial statements.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Notes to Financial Statements  
June 30, 2009

**NOTE 15. Subsequent Accounting Standard Pronouncements (continued)**

In December 2009, the GASB issued Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan, which is effective for financial statement periods beginning after June 15, 2011. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances.

In December of 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which is effective for financial statements for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

The requirements in this Statement will improve financial reporting by contributing to the GASB’s efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

In June 2011, the GASB issued Statement No. 63, 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, 2011. 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.

**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>ASSETS</b>			
Cash and temporary investments	\$ 183,737	\$ 150,518	\$ 334,255
Accounts receivable			
Other	17,231	-	17,231
<i>Total assets</i>	<u>200,968</u>	<u>150,518</u>	<u>351,486</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	137,679	34,875	172,554
Accrued payroll liabilities	7,121	-	7,121
<i>Total liabilities</i>	<u>144,800</u>	<u>34,875</u>	<u>179,675</u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for capital projects	-	483,922	483,922
Unreserved:			
Special Revenue Funds	56,168	(368,279)	(312,111)
<i>Total fund balance</i>	<u>56,168</u>	<u>115,643</u>	<u>171,811</u>
<i>Total liabilities and fund balance</i>	<u>\$ 200,968</u>	<u>\$ 150,518</u>	<u>\$ 351,486</u>

The accompanying notes are an integral part of these financial statements.

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## STATE OF NEW MEXICO

Statement A-2

## CITY OF SANTA ROSA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDING JUNE 30, 2009

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Cigarette taxes	2,194	-	2,194
Gas taxes	206,224	-	206,224
Charges for services	41,811	-	41,811
Licenses and permits	18,730	-	18,730
Loyal sources	1,500	25,772	27,272
State sources	284,032	141,986	426,018
Federal sources	-	585,441	585,441
Interest	5,710	786	6,496
Miscellaneous	27,358	-	27,358
<i>Total revenues</i>	<u>587,559</u>	<u>753,985</u>	<u>1,341,544</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General government	224,772	-	224,772
Public safety	146,619	-	146,619
Public works	-	172,302	172,302
Culture & recreation	476,041	-	476,041
Health & welfare	169,589	-	169,589
Capital outlay	297,394	993,962	1,291,356
Debt service			
Principle	105,139	-	105,139
Interest	72,474	-	72,474
<i>Total expenditures</i>	<u>1,492,028</u>	<u>1,166,264</u>	<u>2,658,292</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(904,469)</u>	<u>(412,279)</u>	<u>(1,316,748)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	254,672	44,000	298,672
<i>Total other financing sources (uses)</i>	<u>254,672</u>	<u>44,000</u>	<u>298,672</u>
<i>Net changes in fund balances</i>	(649,797)	(368,279)	(1,018,076)
<i>Fund balances - beginning of year</i>	<u>705,965</u>	<u>483,922</u>	<u>1,189,887</u>
<i>Fund balances - end of year</i>	<u>\$ 56,168</u>	<u>\$ 115,643</u>	<u>\$ 171,811</u>

The accompanying notes are an integral part of these financial statements.

## Non-Major Special Revenue Fund Descriptions

**Local Government Correction Fund** – To account for the fees collected by the municipal judge, which are legally restricted to expenditures for jail related costs. The fund was established by local ordinance in order to comply with Section 35-14-11, NMSA 1978.

**EMS Fund** – To account for grant funds received from state sources for development of an EMS system within the City. (Authority DOH 7 NMAC 27.4)

**Fire Protection Fund** – To account for the operations and maintenance of the fire department. Contributions and grants from the state fire allotment provides financing. (Authority is NMSA 59A-53-1).

**Senior Citizen's Fund** – To account for the operation and maintenance of the senior citizen's meal program. Funding is provided by federal, state and local sources. The federal funding sources are: Cash in Lieu of Commodities, authorized by the Older Americans Act of 1965, Titles III-B, III-C III-O and III-F, and the United States Department of Agriculture. The state funds are authorized by the New Mexico General Appropriations Act (Chapter 3, 1999 Laws of New Mexico). The fund was established by local ordinance

**Law Enforcement Protection Fund** – To account for grants received from state sources for the purpose of buying equipment for the City police department. (Authority is NMSA 29-13-3)

**Blue Hole Diving Facility Fund** – To account for funds received from diving permits issued for the purpose of operations and improvements to the Blue Hole Diving Facility. (Authority is City Council)

**Moise Memorial Library Fund** – To account for the operations and maintenance of the Moise Memorial Library. Financing is provided by donations. The donations provide for payment of all current operating costs and may be used only for that purpose. Also, financing is provided by the New Mexico State Library GO Bonds for Public Library Resources, Laws of New Mexico 2002, Chapter 93. Also, a grant from Bill and Melinda Gates Foundation Matching Computer Grant was received for the year.

**Lodgers' Tax Promotional Fund** – To account for funds received for the purpose of advertising, publishing and promoting the City's image. Source of funds are from a lodgers tax appropriation. (Authority is City Council and NMSA 3-38-13).

**Gas Tax (Streets)** – To account for the receipt of the statewide increase of two cents per gallon of gasoline tax, which one cent is redistributed, to municipalities for highway and street maintenance. (Authority is NMSA 7-24A-3).

**Recreation Fund** – To account for the operations and maintenance of the parks and other recreation type activities. A cigarette tax and miscellaneous revenues provide financing. (Authority is NMSA 7-12-15)

**EMS, Fire, Rescue Fund** – To account for the operations of the City's Emergency Medical Services Unit. Sources of funds are the State of New Mexico Health and Environmental Department and the Emergency Medical Services Bureau. (Authority is NMSA 24-10A-6 & 24-10B-1 & 2)

**Tourism/Convention Center Fund** – To account for the 2% increase imposed on Lodgers Tax for the construction and operations of a new convention/visitors information center. (Authority is City Council and NMSA 3-38-13).

**Mainstreet Fund** – To account for annual Route 66 Festivals and their operations. Funding is from yearly transfers and fees charged during the Festivals.

## Non-Major Capital Project Fund Descriptions

**DPS (Department of Public Safety) Building** – To account for the purchase of property to build a Public Safety building. Project No. 96-L-RS-I-3-GI05 paid from Severance Tax Bonds for General Fund Projects pursuant to Section 11-1-4B(3) NMSA 1978.

**River Road Drainage** – To account for improvements to drainage flows to cross from the west side of the road to the east side and continue through the Pecos River. Funding is from NMSHTD Cooperative Agreement and City matching funds.

**Blue Hole Improvements** -- To account for improvements to include under water cleanup (dredging) spring investigation and work and immediate site improvements. Funding to be provided by a Special Appropriations Severance Tax.

**Park Renovations Fund** – To account for various small projects within the City park system. Funding is from a transfer out of the General fund.

**Power Dam Improvements Fund** – To account for resources received to make repairs to the dam. Initial funds are from transfers out of the General Fund.

**I-40 Highway Infrastructure** – To account for a transfer from the General Fund to replace water and sewer lines in conjunction with the State Department of Transportation road construction projects.

**Airport Construction** – To account for the construction of a new runway at the airport. Financing is provided by a grant from the Federal Aviation Administration (FAA) and a grant from the State of New Mexico.

**Gutierrez Park** – To account for improvements made to the Park. Funding was provided by a transfer from the General Fund.

**CDBG Economic Development Grant Dive Center** – To account for the grant/loan for infrastructure of Dive Center.

**El Rito Creek Improvements** – To account for a transfer from the General Fund to improve the El Rito Creek area and to eventually promote tourism.

**ADA Assessments** – To account for a transfer from the General Fund to make ADA improvements.

**Culture Corridors Project** – To account for a transfer from the General Fund to improve areas of the City to eventually promote tourism.

**Planning Grant Natural Gas** – To account for the grant that is for the natural gas planning within the City.

**2007 MAP Project** – To account for the grant for infrastructure for the City.

**Planning Grant Comp Master Plan** – To account for the grant for the master plan

**Eddy Ave & 8<sup>th</sup> Street** – To account for the grant for infrastructure on Eddy and 8<sup>th</sup> Street.

**Los Amigos** – To account for the grant/loan for renovations for the Los Amigos facility.

**Scenic By-Way** – To account for the grant for way finding signage.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2009

	Local Gov Correction Fund	EMS Fund	Fire Protection Fund	Senior Citizens Nutrition Fund	Law Enforcement Protection Fund	Blue Hole Diving Facility Fund
<i>Assets</i>						
Cash and cash equivalents	\$ 5,815	\$ -	\$ 31,057	\$ 9,181	\$ 316	\$ 8,227
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>5,815</b>	<b>-</b>	<b>31,057</b>	<b>9,181</b>	<b>316</b>	<b>8,227</b>
<i>Liabilities</i>						
Accounts payable	-	-	428	283	-	-
Accrued expenses	-	-	-	2,226	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>428</b>	<b>2,509</b>	<b>-</b>	<b>-</b>
<i>Fund balances</i>						
Unreserved						
Unreserved, undesignated	5,815	-	30,629	6,672	316	8,227
<b>Total fund balances</b>	<b>5,815</b>	<b>-</b>	<b>30,629</b>	<b>6,672</b>	<b>316</b>	<b>8,227</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,815</b>	<b>\$ -</b>	<b>\$ 31,057</b>	<b>\$ 9,181</b>	<b>\$ 316</b>	<b>\$ 8,227</b>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Governmental Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2009

Statement B-1  
Page 2 of 2

Moise Memorial Library Fund	Lodgers Tax Promotional Fund	Gas Tax Fund	Recreation Fund	EMS, Fire, & Rescue Fund	Tourism/ Convention Center	Mainstreet Fund	Nonmajor Special Revenue Funds
\$ 47,603	\$ (242,711)	\$ 61,121	\$ 10,893	\$ 5,820	\$ 243,318	\$ 3,097	\$ 183,737
-	-	17,231	-	-	-	-	17,231
<u>47,603</u>	<u>(242,711)</u>	<u>78,352</u>	<u>10,893</u>	<u>5,820</u>	<u>243,318</u>	<u>3,097</u>	<u>200,968</u>
-	-	-	-	-	136,968	-	137,679
-	-	4,895	-	-	-	-	7,121
-	-	4,895	-	-	136,968	-	144,800
47,603	(242,711)	73,457	10,893	5,820	106,350	3,097	56,168
<u>47,603</u>	<u>(242,711)</u>	<u>73,457</u>	<u>10,893</u>	<u>5,820</u>	<u>106,350</u>	<u>3,097</u>	<u>56,168</u>
<u>\$ 47,603</u>	<u>\$ (242,711)</u>	<u>\$ 78,352</u>	<u>\$ 10,893</u>	<u>\$ 5,820</u>	<u>\$ 243,318</u>	<u>\$ 3,097</u>	<u>\$ 200,968</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2009

Statement A-2  
Page 1 of 2

	Local Gov Correction Fund	EMS Fund	Fire Protection Fund	Senior Citizens Nutrition Fund	Law Enforcement Protection Fund	Blue Hole Diving Facility Fund
<i>Revenues:</i>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cigarette taxes	-	-	-	-	-	-
Gas taxes	-	-	-	-	-	-
Charges for Services	14,767	-	-	18,446	-	-
Licenses and permits	-	-	-	-	-	16,815
Local sources	-	-	-	-	-	-
State sources	-	19,623	150,326	84,804	23,000	-
Interest income	1	5	75	9	318	22
Miscellaneous income	-	-	3,900	112	-	114
<b>Total revenues</b>	<b>14,768</b>	<b>19,628</b>	<b>154,301</b>	<b>103,371</b>	<b>23,318</b>	<b>16,951</b>
<i>Expenditures:</i>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	15,120	18,229	98,970	-	8,352	-
Culture and Recreation	-	-	-	-	-	896
Health and Welfare	-	-	-	169,589	-	-
Capital Outlay	-	1,715	10,932	1,038	1,844	45,000
Debt Service:						
Principal	-	-	23,144	-	13,257	-
Interest	-	-	2,071	-	33	-
<b>Total expenditures</b>	<b>15,120</b>	<b>19,944</b>	<b>135,117</b>	<b>170,627</b>	<b>23,486</b>	<b>45,896</b>
<i>Excess (deficiency) of revenues over expenditures</i>	(352)	(316)	19,184	(67,256)	(168)	(28,945)
<i>Other financing sources (uses)</i>						
Transfers In	5,000	315	-	55,000	484	-
Transfers Out	-	-	(21,621)	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,000</b>	<b>315</b>	<b>(21,621)</b>	<b>55,000</b>	<b>484</b>	<b>-</b>
<i>Net change in fund balances</i>	4,648	(1)	(2,437)	(12,256)	316	(28,945)
<i>Fund balances - beginning of year</i>	1,167	1	33,066	18,928	-	37,172
<b>Fund balances - end of year</b>	<b>\$ 5,815</b>	<b>\$ -</b>	<b>\$ 30,629</b>	<b>\$ 6,672</b>	<b>\$ 316</b>	<b>\$ 8,227</b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement A-2

City of Santa Rosa

Page 2 of 2

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2009

Moise Memorial Library Fund	Lodgers Tax Promotional Fund	Gas Tax Fund	Recreation Fund	EMS, Fire, & Rescue Fund	Tourism/ Convention Center	Mainstreet Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,194	-	-	-	2,194
-	-	206,224	-	-	-	-	206,224
-	-	-	-	-	-	8,598	41,811
-	-	-	-	-	-	1,915	18,730
-	-	-	-	-	-	1,500	1,500
3,279	-	-	-	3,000	-	-	284,032
32	-	48	6	7	5,183	4	5,710
19,205	-	-	-	-	-	4,027	27,358
22,516	-	206,272	2,200	3,007	5,183	16,044	587,559
-	-	224,772	-	-	-	-	224,772
-	-	-	-	5,948	-	-	146,619
3,719	242,711	-	236	-	206,501	21,978	476,041
-	-	-	-	-	-	-	169,589
16,392	-	2,696	-	-	217,777	-	297,394
-	-	-	-	-	68,738	-	105,139
-	-	-	-	-	70,370	-	72,474
20,111	242,711	227,468	236	5,948	563,386	21,978	1,492,028
2,405	(242,711)	(21,196)	1,964	(2,941)	(558,203)	(5,934)	(904,469)
-	-	-	-	-	210,556	5,000	276,355
-	-	-	-	-	(62)	-	(21,683)
-	-	-	-	-	210,494	5,000	254,672
2,405	(242,711)	(21,196)	1,964	(2,941)	(347,709)	(934)	(649,797)
45,198	-	94,653	8,929	8,761	454,059	4,031	705,965
\$ 47,603	\$ (242,711)	\$ 73,457	\$ 10,893	\$ 5,820	\$ 106,350	\$ 3,097	\$ 56,168

The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

Statement B-3

City of Santa Rosa

Local Government Corrections Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	25,000	25,000	14,767	(10,233)
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	1	1
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>14,768</u>	<u>(10,232)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	25,000	25,000	15,120	9,880
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>15,120</u>	<u>9,880</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(352)</u>	<u>(352)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	5,000	5,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>4,648</u>	<u>4,648</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>1,167</u>	<u>1,167</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,815</u>	<u>\$ 5,815</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 4,648</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-4

City of Santa Rosa

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	14,000	14,000	19,623	5,623
Federal Grants	-	-	-	-
Interest Income	-	-	5	5
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>14,000</u>	<u>14,000</u>	<u>19,628</u>	<u>5,628</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	14,000	14,000	18,229	(4,229)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	1,715	(1,715)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,000</u>	<u>14,000</u>	<u>19,944</u>	<u>(5,944)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(316)	(316)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	315	315
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	<u>315</u>	<u>315</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(1)	(1)
<i>Fund Balance - Beginning of Year</i>	-	-	<u>1</u>	<u>1</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (1)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-5

City of Santa Rosa

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Local Grants	-	-	-	-
State Grants	131,000	131,000	150,326	19,326
Federal Grants	-	-	-	-
Interest Income	50	50	75	25
Miscellaneous Income	2,000	2,000	3,900	1,900
<i>Total revenues</i>	<u>133,050</u>	<u>133,050</u>	<u>154,301</u>	<u>19,351</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	93,500	93,500	98,542	(5,042)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	70,000	70,000	10,932	59,068
Debt Service:				
Principal	29,471	29,471	23,144	6,327
Interest	-	-	2,071	(2,071)
<i>Total expenditures</i>	<u>192,971</u>	<u>192,971</u>	<u>134,689</u>	<u>58,282</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(59,921)</u>	<u>(59,921)</u>	<u>19,612</u>	<u>77,633</u>
<i>Other financing sources (uses)</i>				
Designated Cash	59,921	59,921	-	(59,921)
Transfers In	-	-	-	-
Transfers Out	-	-	(21,621)	(21,621)
<i>Total other financing sources (uses)</i>	<u>59,921</u>	<u>59,921</u>	<u>(21,621)</u>	<u>(81,542)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(2,009)	(3,909)
<i>Fund Balance - Beginning of Year</i>	-	-	33,066	33,066
<i>Restatements</i>	-	-	-	-
<i>Fund balances restated, beginning of year</i>	-	-	33,066	33,066
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,057</u>	<u>\$ 29,157</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(428)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (2,437)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-6

City of Santa Rosa

Senior Citizens Nutrition Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	15,400	15,400	19,110	3,710
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	77,175	77,175	88,566	11,391
Federal Grants	5,825	5,825	-	-
Interest Income	40	40	9	(31)
Miscellaneous Income	-	-	112	112
<i>Total revenues</i>	<u>98,440</u>	<u>98,440</u>	<u>107,797</u>	<u>15,070</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	175,824	175,824	167,080	8,744
Capital Outlay	-	-	1,038	(1,038)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>175,824</u>	<u>175,824</u>	<u>168,118</u>	<u>7,706</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(77,384)</u>	<u>(77,384)</u>	<u>(60,321)</u>	<u>22,776</u>
<i>Other financing sources (uses)</i>				
Designated Cash	18,162	18,162	-	(18,162)
Transfers In	59,222	59,222	55,000	(4,222)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>77,384</u>	<u>77,384</u>	<u>55,000</u>	<u>(22,384)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(5,321)	30,482
<i>Fund Balance - Beginning of Year</i>	-	-	14,502	14,502
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,181</u>	<u>\$ 44,984</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(4,426)	
Adjustments to expenditures (liabilities)			(2,509)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (12,256)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

City of Santa Rosa

Law Enforcement Protection Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	23,000	23,000	23,000	-
Federal Grants	-	-	-	-
Interest Income	-	-	318	318
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>23,000</u>	<u>23,000</u>	<u>23,318</u>	<u>318</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	1,036	1,036	8,352	(7,316)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	8,875	8,875	1,844	7,031
<i>Debt Service:</i>				
Principal	13,089	13,089	13,257	(168)
Interest	-	-	33	(33)
<i>Total expenditures</i>	<u>23,000</u>	<u>23,000</u>	<u>23,486</u>	<u>(486)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(168)	(168)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	484	484
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	<u>484</u>	<u>484</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	316	316
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 316</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 316</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-8

City of Santa Rosa

Blue Hole Diving Facility Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	20,000	20,000	16,815	(3,185)
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	22	22
Miscellaneous Income	-	-	114	114
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>16,951</u>	<u>(3,049)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	54,000	54,000	896	53,104
Health and Welfare	-	-	-	-
Capital Outlay	-	-	45,000	(45,000)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>54,000</u>	<u>54,000</u>	<u>45,896</u>	<u>8,104</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(34,000)</u>	<u>(34,000)</u>	<u>(28,945)</u>	<u>5,055</u>
<i>Other financing sources (uses)</i>				
Designated Cash	34,000	34,000	-	(34,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>(34,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(28,945)	(28,945)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>37,172</u>	<u>37,172</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,227</u>	<u>\$ 8,227</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (28,945)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-9

City of Santa Rosa

Moise Memorial Library Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	4,635	4,635	3,279	(1,356)
Federal Grants	-	-	-	-
Interest Income	-	-	32	32
Miscellaneous Income	16,830	16,830	19,205	2,375
Agreement Revenue	-	-	-	-
<i>Total revenues</i>	<u>21,465</u>	<u>21,465</u>	<u>22,516</u>	<u>1,051</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	5,215	5,215	3,719	1,496
Health and Welfare	-	-	-	-
Capital Outlay	16,250	16,250	16,392	(142)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>21,465</u>	<u>21,465</u>	<u>20,111</u>	<u>1,354</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,405	2,405
<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>	-	-	2,405	2,405
<i>Fund Balance - Beginning of Year</i>	-	-	45,198	45,198
<i>Fund Balance - End of Year</i>	<u>-</u>	<u>-</u>	<u>47,603</u>	<u>47,603</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 2,405</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

City of Santa Rosa

Lodgers Tax Promotional Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	225,000	225,000	242,711	(17,711)
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	225,000	225,000	242,711	(17,711)
<i>Excess (deficiency) of revenues over expenditures</i>	(225,000)	(225,000)	(242,711)	(17,711)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	225,000	225,000	-	(225,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	225,000	225,000	-	(225,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(242,711)	(242,711)
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ (242,711)	\$ (242,711)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (242,711)	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-11

City of Santa Rosa

Gas Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
	<i>Revenues:</i>			
Taxes	\$ 177,000	\$ 177,000	\$ 206,224	\$ 29,224
Charges for Service	102,000	102,000	-	(102,000)
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	48	48
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>279,000</u>	<u>279,000</u>	<u>206,272</u>	<u>(72,728)</u>
<i>Expenditures:</i>				
Current:				
General Government	358,337	358,337	219,877	138,460
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	2,696	(2,696)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>358,337</u>	<u>358,337</u>	<u>222,573</u>	<u>135,764</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(79,337)</u>	<u>(79,337)</u>	<u>(16,301)</u>	<u>63,036</u>
<i>Other financing sources (uses)</i>				
Designated Cash	181,337	181,337	-	(181,337)
Transfers In	-	-	-	-
Transfers Out	(102,000)	(102,000)	-	102,000
<i>Total other financing sources (uses)</i>	<u>79,337</u>	<u>79,337</u>	<u>-</u>	<u>(79,337)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(16,301)	(16,301)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>77,422</u>	<u>77,422</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,121</u>	<u>\$ 61,121</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(4,895)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (21,196)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-12

City of Santa Rosa

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 3,200	\$ 3,200	\$ 2,481	\$ (719)
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	6	6
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>3,200</u>	<u>3,200</u>	<u>2,487</u>	<u>(713)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	2,000	2,000	236	1,764
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>236</u>	<u>1,764</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,200</u>	<u>1,200</u>	<u>2,251</u>	<u>1,051</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(1,200)	(1,200)	-	1,200
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	2,251	2,251
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>8,642</u>	<u>8,642</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,893</u>	<u>\$ 10,893</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(287)	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 1,964</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

City of Santa Rosa

EMS, Fire, Rescue Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	3,000	3,000	3,000	-
Federal Grants	-	-	-	-
Interest Income	-	-	7	7
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>3,007</u>	<u>7</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	3,000	3,000	5,948	(2,948)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>5,948</u>	<u>(2,948)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,941)</u>	<u>(2,941)</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>(2,941)</u>	<u>(2,941)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>8,761</u>	<u>8,761</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,820</u>	<u>\$ 5,820</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (2,941)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

City of Santa Rosa

Tourism/Convention Center Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	3,221,000	3,221,000	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	5,183	5,183
Miscellaneous Income	-	-	-	-
<b>Total revenues</b>	<b>3,221,000</b>	<b>3,221,000</b>	<b>5,183</b>	<b>5,183</b>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	91,426	91,426	70,511	20,915
Health and Welfare	-	-	-	-
Capital Outlay	-	-	80,809	(80,809)
<i>Debt Service:</i>				
Principal	-	-	68,738	(68,738)
Interest	-	-	70,370	(70,370)
<b>Total expenditures</b>	<b>91,426</b>	<b>91,426</b>	<b>290,428</b>	<b>(199,002)</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>3,129,574</b>	<b>3,129,574</b>	<b>(285,245)</b>	<b>(193,819)</b>
<i>Other financing sources (uses)</i>				
Designated Cash	(3,259,134)	(3,259,134)	-	3,259,134
Transfers In	129,560	129,560	210,556	80,996
Transfers Out	-	-	(62)	(62)
<b>Total other financing sources (uses)</b>	<b>(3,129,574)</b>	<b>(3,129,574)</b>	<b>210,494</b>	<b>3,340,068</b>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(74,751)	3,146,249
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>318,069</b>	<b>318,069</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 243,318</b>	<b>\$ 3,464,318</b>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(272,958)	
<b>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</b>			<b>\$ (347,709)</b>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-15

City of Santa Rosa

Mainstreet Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	-	-	-	\$ -
Charges for Service	-	-	8,598	8,598
Licenses and Fees	-	-	1,915	1,915
Fines	-	-	-	-
Local Grants	-	-	1,500	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	4	4
Miscellaneous Income	-	-	4,027	4,027
<i>Total revenues</i>	-	-	16,044	14,544
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	5,000	5,000	21,978	(16,978)
Health and Welfare	-	-	-	-
Capital Outlay	15,000	15,000	-	15,000
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	20,000	20,000	21,978	(1,978)
<i>Excess (deficiency) of revenues over expenditures</i>	(20,000)	(20,000)	(5,934)	12,566
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	20,000	20,000	5,000	(15,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	20,000	20,000	5,000	(15,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(934)	(2,434)
<i>Fund Balance - Beginning of Year</i>	-	-	4,031	4,031
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 3,097	\$ 1,597
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (934)	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Capital Project Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2009

	<u>DPS Building Fund</u>	<u>River Road Drainage Fund</u>	<u>Blue Hole Improvements Fund</u>	<u>Park Renovations Fund</u>	<u>Power Dam Improvements Fund</u>	<u>I-40 Highway Infrastructure Fund</u>
<i>Assets</i>						
Cash and cash equivalents	\$ 103	\$ 1,684	\$ 360	\$ 1,783	\$ 11,358	\$ 2
<i>Total assets</i>	<u>103</u>	<u>1,684</u>	<u>360</u>	<u>1,783</u>	<u>11,358</u>	<u>2</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Unreserved						
Reserved for capital outlay	103	1,684	360	1,783	11,358	2
<i>Total fund balances</i>	<u>103</u>	<u>1,684</u>	<u>360</u>	<u>1,783</u>	<u>11,358</u>	<u>2</u>
<i>Total liabilities and fund balances</i>	<u>\$ 103</u>	<u>\$ 1,684</u>	<u>\$ 360</u>	<u>\$ 1,783</u>	<u>\$ 11,358</u>	<u>\$ 2</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Capital Project Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2009

Statement C-1  
Page 2 of 3

Airport Construction Fund	Gutierrez Park Fund	CDBG Economic Dev Grant Dive Center Fund	El Rito Creek Improvements Fund	ADA Assessments Fund	Culture Corridors Project Fund	Planning Grant - Natural Gas Fund
\$ 5,579	\$ 1,834	\$ 1	\$ 50,315	\$ 8,795	\$ 9,993	\$ -
<u>5,579</u>	<u>1,834</u>	<u>1</u>	<u>50,315</u>	<u>8,795</u>	<u>9,993</u>	<u>-</u>
-	-	34,380	-	-	-	-
-	-	<u>34,380</u>	-	-	-	-
5,579	1,834	(34,379)	50,315	8,795	9,993	-
<u>5,579</u>	<u>1,834</u>	<u>(34,379)</u>	<u>50,315</u>	<u>8,795</u>	<u>9,993</u>	<u>-</u>
<u>\$ 5,579</u>	<u>\$ 1,834</u>	<u>\$ 1</u>	<u>\$ 50,315</u>	<u>\$ 8,795</u>	<u>\$ 9,993</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
City of Santa Rosa  
Nonmajor Capital Project Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2009

	2007 MAP Project Fund	Planning Grant Comp Master Plan Fund	Eddy Ave & 8th Street Fund	Los Amigos Fund	Scenic By- Way Fund	Total Nonmajor Capital Project Funds
<i>Assets</i>						
Cash and cash equivalents	\$ 28,943	\$ 11,004	\$ -	\$ 18,764	\$ -	\$ 150,518
<i>Total assets</i>	<u>28,943</u>	<u>11,004</u>	<u>-</u>	<u>18,764</u>	<u>-</u>	<u>150,518</u>
<i>Liabilities</i>						
Accounts payable	-	-	-	495	-	34,875
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495</u>	<u>-</u>	<u>34,875</u>
<i>Fund balances</i>						
Unreserved						
Reserved for capital outlay	28,943	11,004	-	18,269	-	115,643
<i>Total fund balances</i>	<u>28,943</u>	<u>11,004</u>	<u>-</u>	<u>18,269</u>	<u>-</u>	<u>115,643</u>
<i>Total liabilities and fund balances</i>	<u>\$ 28,943</u>	<u>\$ 11,004</u>	<u>\$ -</u>	<u>\$ 18,764</u>	<u>\$ -</u>	<u>\$ 150,518</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Santa Rosa

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2009

Statement C-2

Page 1 of 3

	DPS Building Fund	River Road Drainage Fund	Blue Hole Improvements Fund	Park Renovations Fund	Power Dam Improvements Fund	I-40 Highway Infrastructure Fund
<i>Revenues:</i>						
Local sources	-	-	-	25,772	-	-
State sources	-	-	-	-	-	2
Federal sources	-	-	-	-	-	-
Interest income	-	1	56	10	7	-
Miscellaneous income	-	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1</u>	<u>56</u>	<u>25,782</u>	<u>7</u>	<u>2</u>
<i>Expenditures:</i>						
<i>Current:</i>						
Public Works	-	-	-	11,028	1,000	-
Culture and Recreation	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Capital Outlay	-	-	106,028	25,772	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>106,028</u>	<u>36,800</u>	<u>1,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>1</u>	<u>(105,972)</u>	<u>(11,018)</u>	<u>(993)</u>	<u>2</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>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	1	(105,972)	(11,018)	(993)	2
<i>Fund balances - beginning of year</i>	<u>103</u>	<u>1,683</u>	<u>106,332</u>	<u>12,801</u>	<u>12,351</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 103</u>	<u>\$ 1,684</u>	<u>\$ 360</u>	<u>\$ 1,783</u>	<u>\$ 11,358</u>	<u>\$ 2</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Santa Rosa

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2009

Statement C-2

Page 2 of 3

Airport Construction Fund	Gutierrez Park Fund	CDBG Economic Dev Grant Dive Center Fund	El Rito Creek Improvements Fund	ADA Assessments Fund	Culture Corridors Project Fund	Planning Grant - Natural Gas Fund
-	-	-	-	-	-	-
136,006	-	-	-	-	-	-
88,936	-	478,646	-	-	-	-
12	1	-	32	6	6	-
-	-	-	-	-	-	-
<u>224,954</u>	<u>1</u>	<u>478,646</u>	<u>32</u>	<u>6</u>	<u>6</u>	<u>-</u>
96,629	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
142,465	-	513,025	-	-	-	-
<u>239,094</u>	<u>-</u>	<u>513,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(14,140)</u>	<u>1</u>	<u>(34,379)</u>	<u>32</u>	<u>6</u>	<u>6</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(14,140)</u>	<u>1</u>	<u>(34,379)</u>	<u>32</u>	<u>6</u>	<u>6</u>	<u>-</u>
<u>19,719</u>	<u>1,833</u>	<u>-</u>	<u>50,283</u>	<u>8,789</u>	<u>9,987</u>	<u>-</u>
<u>\$ 5,579</u>	<u>\$ 1,834</u>	<u>\$ (34,379)</u>	<u>\$ 50,315</u>	<u>\$ 8,795</u>	<u>\$ 9,993</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

City of Santa Rosa

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2009

Statement C-2

Page 3 of 3

	2007 MAP Project Fund	Planning Grant Comp Master Plan Fund	Eddy Ave & 8th Street Fund	Los Amigos Fund	Scenic By- Way Fund	Total Nonmajor Capital Project Funds
<i>Revenues:</i>						
Local sources	-	-	-	-	-	25,772
State sources	-	-	-	-	5,978	141,986
Federal sources	-	17,859	-	-	-	585,441
Interest income	26	3	-	626	-	786
Miscellaneous income	-	-	-	-	-	-
<i>Total revenues</i>	<u>26</u>	<u>17,862</u>	<u>-</u>	<u>626</u>	<u>5,978</u>	<u>753,985</u>
<i>Expenditures:</i>						
<i>Current:</i>						
Public Works	12,836	13,858	-	30,973	5,978	172,302
Culture and Recreation	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Capital Outlay	-	-	-	206,672	-	993,962
<i>Total expenditures</i>	<u>12,836</u>	<u>13,858</u>	<u>-</u>	<u>237,645</u>	<u>5,978</u>	<u>1,166,264</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,810)</u>	<u>4,004</u>	<u>-</u>	<u>(237,019)</u>	<u>-</u>	<u>(412,279)</u>
<i>Other financing sources (uses)</i>						
Bond Proceeds	-	-	-	-	-	-
Transfers In	-	7,000	-	37,000	-	44,000
Transfers Out	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>37,000</u>	<u>-</u>	<u>44,000</u>
<i>Net change in fund balances</i>	<u>(12,810)</u>	<u>11,004</u>	<u>-</u>	<u>(200,019)</u>	<u>-</u>	<u>(368,279)</u>
<i>Fund balances - beginning of year</i>	<u>41,753</u>	<u>-</u>	<u>-</u>	<u>218,288</u>	<u>-</u>	<u>483,922</u>
<i>Fund balances - end of year</i>	<u>\$ 28,943</u>	<u>\$ 11,004</u>	<u>\$ -</u>	<u>\$ 18,269</u>	<u>\$ -</u>	<u>\$ 115,643</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-3

City of Santa Rosa

DPS Building Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<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>Fund Balance - Beginning of Year</i>	-	-	103	103
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 103	\$ 103
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ -	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-4

City of Santa Rosa

River Road Drainage Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	200,000	200,000	-	(200,000)
State Grants	1,300,000	1,300,000	-	(1,300,000)
Federal Grants	-	-	-	-
Interest Income	-	-	1	1
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1</u>	<u>(1,499,999)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	78,000	78,000	-	78,000
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	1,422,000	1,422,000	-	1,422,000
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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>1</u>	<u>1</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>1,683</u>	<u>1,683</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,684</u>	<u>\$ 1,684</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 1</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-5

City of Santa Rosa

Blue Hole Improvements Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	56	56
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>56</u>	<u>56</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	106,000	106,000	106,028	(28)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>106,000</u>	<u>106,000</u>	<u>106,028</u>	<u>(28)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(106,000)</u>	<u>(106,000)</u>	<u>(105,972)</u>	<u>28</u>
<i>Other financing sources (uses)</i>				
Designated Cash	106,000	106,000	-	(106,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>106,000</u>	<u>106,000</u>	<u>-</u>	<u>(106,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(105,972)	(105,972)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>106,332</u>	<u>106,332</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360</u>	<u>\$ 360</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (105,972)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement C-6

City of Santa Rosa

Park Renovations Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	25,772	25,772
State Grants	300,000	300,000	-	(300,000)
Federal Grants	-	-	-	-
Interest Income	-	-	10	10
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>300,000</u>	<u>300,000</u>	<u>25,782</u>	<u>(274,218)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	11,028	(11,028)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	300,000	300,000	25,772	274,228
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>300,000</u>	<u>300,000</u>	<u>36,800</u>	<u>263,200</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,018)</u>	<u>(11,018)</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>(11,018)</u>	<u>(11,018)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>12,801</u>	<u>12,801</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783</u>	<u>\$ 1,783</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (11,018)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-7

City of Santa Rosa

Power Dam Improvements Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	100,000	100,000	-	(100,000)
Federal Grants	-	-	-	-
Interest Income	-	-	7	7
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>7</u>	<u>(99,993)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	120,000	120,000	1,000	119,000
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>120,000</u>	<u>120,000</u>	<u>1,000</u>	<u>119,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(993)</u>	<u>19,007</u>
<i>Other financing sources (uses)</i>				
Designated Cash	20,000	20,000	-	(20,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(993)	(993)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>12,351</u>	<u>12,351</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,358</u>	<u>\$ 11,358</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (993)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-8

City of Santa Rosa

I-40 Highway Infrastructure Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	2	2
Federal Grants	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</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>2</u>	<u>2</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 2</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-9

City of Santa Rosa

Airport Construction Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	136,006	136,006
Federal Grants	37,500	37,500	88,936	51,436
Interest Income	-	-	12	12
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>37,500</u>	<u>37,500</u>	<u>224,954</u>	<u>187,454</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	96,629	(96,629)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	75,000	75,000	142,465	(67,465)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,000</u>	<u>75,000</u>	<u>239,094</u>	<u>(164,094)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(37,500)</u>	<u>(37,500)</u>	<u>(14,140)</u>	<u>23,360</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	37,500	37,500	-	(37,500)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>37,500</u>	<u>37,500</u>	<u>-</u>	<u>(37,500)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(14,140)	(14,140)
<i>Fund Balance - Beginning of Year</i>	-	-	19,719	19,719
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,579</u>	<u>\$ 5,579</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (14,140)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-10

City of Santa Rosa

Gutierrez Park Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	1	1
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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>1</u>	<u>1</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>1,833</u>	<u>1,833</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,834</u>	<u>\$ 1,834</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 1</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-11

City of Santa Rosa

CDBG Economic Development Grant Dive Center Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	450,000	450,000	228,646	(221,354)
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>450,000</u>	<u>450,000</u>	<u>228,646</u>	<u>(221,354)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	57,000	57,000	-	57,000
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	450,000	450,000	478,645	(28,645)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>507,000</u>	<u>507,000</u>	<u>478,645</u>	<u>28,355</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(57,000)</u>	<u>(57,000)</u>	<u>(249,999)</u>	<u>(192,999)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	57,000	57,000	-	(57,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>57,000</u>	<u>57,000</u>	<u>-</u>	<u>(57,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(249,999)	(249,999)
<i>Fund Balance - Beginning of Year</i>	-	-	250,000	250,000
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			250,000	
Adjustments to expenditures (liabilities)			(34,380)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (34,379)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-12

City of Santa Rosa

Downtown Improvements Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	800,000	800,000	382,552	(417,448)
Federal Grants	-	-	-	-
Interest Income	-	-	53	53
Miscellaneous Income	-	-	100	100
<i>Total revenues</i>	<u>800,000</u>	<u>800,000</u>	<u>382,605</u>	<u>(417,395)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	92,118	(92,118)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	900,000	900,000	287,578	612,422
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>900,000</u>	<u>900,000</u>	<u>379,696</u>	<u>520,304</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(100,000)</u>	<u>(100,000)</u>	<u>2,909</u>	<u>102,909</u>
<i>Other financing sources (uses)</i>				
Designated Cash	55,000	55,000	-	(55,000)
Transfers In	45,000	45,000	-	(45,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	2,909	2,909
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>96,398</u>	<u>96,398</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,307</u>	<u>\$ 99,307</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(156,850)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (153,941)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-13

City of Santa Rosa

El Rito Creek Improvements Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	32	32
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	50,000	50,000	-	50,000
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>32</u>	<u>50,032</u>
<i>Other financing sources (uses)</i>				
Designated Cash	50,000	50,000	-	(50,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	32	32
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>50,283</u>	<u>50,283</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,315</u>	<u>\$ 50,315</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 32</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement C-14

City of Santa Rosa

ADA Assessments Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	6	6
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<i>Other financing sources (uses)</i>				
Designated Cash	8,700	8,700	-	(8,700)
Transfers In	-	-	-	-
Transfers Out	(8,700)	(8,700)	-	8,700
<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>6</u>	<u>6</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>8,789</u>	<u>8,789</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,795</u>	<u>\$ 8,795</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 6</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-15

City of Santa Rosa

Culture Corridors Project Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	6	6
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</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>6</u>	<u>6</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>9,987</u>	<u>9,987</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,993</u>	<u>\$ 9,993</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 6</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-16

City of Santa Rosa

Planning Grant Natural Gas Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	40,000	40,000	-	(40,000)
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	55,000	55,000	-	55,000
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
<i>Other financing sources (uses)</i>				
Designated Cash	4,000	4,000	-	(4,000)
Transfers In	11,000	11,000	-	(11,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
2007 MAP Project Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

Statement C-17

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	26	26
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	12,836	(12,836)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>12,836</u>	<u>(12,836)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,810)</u>	<u>(12,810)</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>(12,810)</u>	<u>(12,810)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>41,753</u>	<u>41,753</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,943</u>	<u>\$ 28,943</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (12,810)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-18

City of Santa Rosa

Planning Grant Comp Master Plan Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	17,859	17,859
Interest Income	-	-	3	3
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	-	-	17,862	17,862
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	13,858	(13,858)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	13,858	(13,858)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	4,004	4,004
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	7,000	7,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	7,000	7,000
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	11,004	11,004
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balance-beginning of year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 11,004	\$ 11,004
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 11,004	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-19

City of Santa Rosa

Eddy Ave &amp; 8th Street Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	200,000	200,000	-	(200,000)
Federal Grants	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	33,595	33,595	-	33,595
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	212,779	212,779	-	212,779
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>246,374</u>	<u>246,374</u>	<u>-</u>	<u>246,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(46,374)</u>	<u>(46,374)</u>	<u>-</u>	<u>46,374</u>
<i>Other financing sources (uses)</i>				
Designated Cash	46,374	46,374	-	(46,374)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>46,374</u>	<u>46,374</u>	<u>-</u>	<u>(46,374)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-20

City of Santa Rosa

Los Amigos Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	350,000	350,000	-	(350,000)
Federal Grants	-	-	-	-
Interest Income	-	-	626	626
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>626</u>	<u>(349,374)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	150,000	150,000	30,478	119,522
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	200,000	200,000	206,672	(6,672)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>350,000</u>	<u>350,000</u>	<u>237,150</u>	<u>112,850</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(236,524)</u>	<u>(236,524)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	37,000	37,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>37,000</u>	<u>37,000</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(199,524)</u>	<u>(199,524)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>218,288</u>	<u>218,288</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,764</u>	<u>\$ 18,764</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(495)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (200,019)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-21

City of Santa Rosa

CDBG S. 2nd Street Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	6	6
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	-	-	6	6
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	52,340	(52,340)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	52,340	(52,340)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(52,334)	(52,334)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	53,308	53,308
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	53,308	53,308
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	974	974
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 974	\$ 974
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(186,468)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (185,494)	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement C-22

City of Santa Rosa

Scenic By-Way Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	5,978	5,978
Federal Grants	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,978</u>	<u>5,978</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	5,978	(5,978)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>5,978</u>	<u>(5,978)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

City of Santa Rosa

General Funds

Combining Balance Sheet

For the Year Ended June 30, 2009

Statement D-1

Page 1 of 1

	<u>Operational Fund</u>	<u>Airport Fund</u>	<u>Golf Fund</u>	<u>Total General Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 627,331	\$ 1,818	\$ 532	\$ 629,681
Accounts receivable	205,153	-	-	205,153
<i>Total assets</i>	<u>832,484</u>	<u>1,818</u>	<u>532</u>	<u>834,834</u>
<i>Liabilities</i>				
Accounts payable	16,363	176	453	16,992
Accrued expenses	78,246	-	1,372	79,618
Due to other funds	300	-	-	300
<i>Total liabilities</i>	<u>94,909</u>	<u>176</u>	<u>1,825</u>	<u>96,910</u>
<i>Fund balances</i>				
Unreserved				
Unreserved	627,813	1,642	(1,293)	628,162
<i>Total fund balances</i>	<u>627,813</u>	<u>1,642</u>	<u>(1,293)</u>	<u>628,162</u>
<i>Total liabilities and fund balances</i>	<u>\$ 722,722</u>	<u>\$ 1,818</u>	<u>\$ 532</u>	<u>\$ 725,072</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

City of Santa Rosa

General Fund

Statement D-2

Page 1 of 1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2009

	Operational Fund	Airport Fund	Golf Fund	Total General Fund
<i>Revenues:</i>				
Taxes	\$ 224,822	\$ -	\$ -	\$ 224,822
Franchise taxes	19,922	-	-	19,922
Cigarette taxes	4,371	-	-	4,371
Gross receipts taxes	2,127,224	-	-	2,127,224
MVD taxes	6,732	-	-	6,732
Charges for Services	270,300	43,843	9,247	323,390
Licenses and permits	26,522	-	-	26,522
Fines and forfeitures	50,563	-	-	50,563
Local sources	172,403	-	-	172,403
State sources	39,002	-	-	39,002
Interest income	1,476	12	3	1,491
Miscellaneous income	24,657	-	2,102	26,759
<i>Total revenues</i>	<u>2,967,994</u>	<u>43,855</u>	<u>11,352</u>	<u>3,023,201</u>
<i>Expenditures:</i>				
Current:				
General Government	1,022,527	-	-	1,022,527
Public Safety	721,155	-	-	721,155
Public Works	154,662	51,599	-	206,261
Culture and Recreation	661,807	-	107,181	768,988
Capital Outlay	25,728	7,360	7,184	40,272
Debt Service:				
Principal	86,993	-	10,259	97,252
Interest	108,072	-	1,517	109,589
<i>Total expenditures</i>	<u>2,780,944</u>	<u>58,959</u>	<u>126,141</u>	<u>2,966,044</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>187,050</u>	<u>(15,104)</u>	<u>(114,789)</u>	<u>57,157</u>
<i>Other financing sources (uses)</i>				
Transfers In	21,683	5,066	109,160	135,909
Transfers Out	(305,025)	-	-	(305,025)
<i>Total other financing sources (uses)</i>	<u>(283,342)</u>	<u>5,066</u>	<u>109,160</u>	<u>(169,116)</u>
<i>Net change in fund balances</i>	(96,292)	(10,038)	(5,629)	(111,959)
<i>Fund balances - beginning of year</i>	<u>724,105</u>	<u>11,680</u>	<u>4,336</u>	<u>740,121</u>
<i>Fund balances - end of year</i>	<u>\$ 627,813</u>	<u>\$ 1,642</u>	<u>\$ (1,293)</u>	<u>\$ 628,162</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-3

City of Santa Rosa

Operational Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes	\$ 2,303,277	\$ 2,303,277	\$ 2,366,665	\$ 63,388
Charges for Service	204,900	204,900	270,300	65,400
Licenses and Fees	8,800	8,800	26,522	17,722
Fines	45,300	45,300	34,547	(10,753)
Local Grants	172,000	172,000	183,524	11,524
State Grants	71,110	71,110	123,054	51,944
Federal Grants	35,000	35,000	20,155	(14,845)
Interest Income	500	500	1,476	976
Miscellaneous Income	15,550	15,550	24,657	9,107
<i>Total revenues</i>	<u>2,856,437</u>	<u>2,856,437</u>	<u>3,050,900</u>	<u>194,463</u>
<i>Expenditures:</i>				
Current:				
General Government	876,212	876,212	992,490	(116,278)
Public Safety	695,733	695,733	718,253	(22,520)
Public Works	140,400	140,400	163,167	(22,767)
Culture and Recreation	586,070	586,070	650,227	(64,157)
Health and Welfare	-	-	-	-
Capital Outlay	82,090	82,090	25,728	56,362
Debt Service:				
Principal	110,202	110,202	86,993	23,209
Interest	74,865	74,865	108,072	(33,207)
<i>Total expenditures</i>	<u>2,565,572</u>	<u>2,565,572</u>	<u>2,744,930</u>	<u>(179,358)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>290,865</u>	<u>290,865</u>	<u>305,970</u>	<u>15,105</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(31,203)	(31,203)	-	31,203
Transfers In	16,800	16,800	21,683	4,883
Transfers Out	(276,462)	(276,462)	(305,025)	(28,563)
<i>Total other financing sources (uses)</i>	<u>(290,865)</u>	<u>(290,865)</u>	<u>(283,342)</u>	<u>7,523</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	22,628	22,628
<i>Fund Balance - Beginning of Year</i>	-	-	604,403	604,403
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 627,031</u>	<u>\$ 627,031</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			21,301	
Adjustments to expenditures (liabilities)			(30,459)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 13,470</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-4

City of Santa Rosa

Airport Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	22,940	22,940	43,843	20,903
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	7	7	12	5
Miscellaneous Income	-	-	-	-
<i>Total revenues</i>	<u>22,947</u>	<u>22,947</u>	<u>43,855</u>	<u>20,908</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	36,500	36,500	51,423	(14,923)
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	500	500	7,360	(6,860)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,000</u>	<u>37,000</u>	<u>58,783</u>	<u>(21,783)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,053)</u>	<u>(14,053)</u>	<u>(14,928)</u>	<u>(875)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	8,987	8,987	-	(8,987)
Transfers In	5,066	5,066	5,066	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,053</u>	<u>14,053</u>	<u>5,066</u>	<u>(8,987)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(9,862)	(9,862)
<i>Fund Balance - Beginning of Year</i>	-	-	11,680	11,680
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 1,818</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(176)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (10,038)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-5

City of Santa Rosa

Golf Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Service	12,000	12,000	9,247	(2,753)
Licenses and Fees	-	-	-	-
Fines	-	-	-	-
Local Grants	-	-	-	-
State Grants	-	-	-	-
Federal Grants	-	-	-	-
Interest Income	-	-	3	3
Miscellaneous Income	-	-	2,102	2,102
<i>Total revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>11,352</u>	<u>(648)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	93,674	93,674	105,356	(11,682)
Health and Welfare	-	-	-	-
Capital Outlay	5,000	5,000	7,184	(2,184)
Debt Service:				
Principal	-	-	10,259	(10,259)
Interest	-	-	1,517	(1,517)
<i>Total expenditures</i>	<u>98,674</u>	<u>98,674</u>	<u>124,316</u>	<u>(25,642)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(86,674)</u>	<u>(86,674)</u>	<u>(112,964)</u>	<u>(26,290)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	9,000	9,000	-	(9,000)
Transfers In	77,674	77,674	109,160	31,486
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>86,674</u>	<u>86,674</u>	<u>109,160</u>	<u>22,486</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(3,804)	(3,804)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>4,336</u>	<u>4,336</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532</u>	<u>\$ 532</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(1,825)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,629)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement E-1

City of Santa Rosa

Water/Sewer Proprietary Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Charges for services	\$ 989,000	\$ 989,000	\$ 813,636	\$ (175,364)
Interest income	225	225	247	22
State grants	2,570,000	2,570,000	-	(2,570,000)
Federal grants	-	-	173,148	173,148
Taxes	87,000	87,000	39,767	(47,233)
Miscellaneous	15,100	15,100	18,159	3,059
<i>Total revenues</i>	<u>3,661,325</u>	<u>3,661,325</u>	<u>1,044,957</u>	<u>(2,616,368)</u>
<i>Expenditures:</i>				
Personnel services	492,753	492,753	290,353	202,400
Maintenance and operations	3,417,000	3,417,000	716,469	2,700,531
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Revenue bond principal	50,000	50,000	10,000	40,000
Interest expense	-	-	36,332	(36,332)
<i>Total expenditures</i>	<u>3,959,753</u>	<u>3,959,753</u>	<u>1,053,154</u>	<u>2,906,599</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(298,428)</u>	<u>(298,428)</u>	<u>(8,197)</u>	<u>290,231</u>
<i>Other financing sources (uses)</i>				
Designated Cash	313,428	313,428	-	(313,428)
Transfers In	18,000	18,000	36,402	18,402
Transfers Out	(33,000)	(33,000)	(89,710)	(56,710)
<i>Total other financing sources (uses)</i>	<u>298,428</u>	<u>298,428</u>	<u>(53,308)</u>	<u>(351,736)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(61,505)	(61,505)
<i>Fund Balance - Beginning of Year</i>	-	-	158,052	158,052
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,547</u>	<u>\$ 96,547</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(218,205)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (279,710)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement E-2

City of Santa Rosa

Solid Waste Proprietary Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Charges for services	\$ 278,000	\$ 278,000	\$ 302,922	\$ 24,922
Interest income	-	-	76	76
State grants	-	-	-	-
Federal grants	-	-	-	-
Taxes	54,000	54,000	90,773	36,773
Miscellaneous	-	-	6,232	6,232
<i>Total revenues</i>	<u>332,000</u>	<u>332,000</u>	<u>400,003</u>	<u>68,003</u>
<i>Expenditures:</i>				
Personnel services	214,631	214,631	281,153	(66,522)
Maintenance and operations	313,400	313,400	215,790	97,610
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Revenue bond principal	48,000	48,000	44,701	3,299
Interest expense	-	-	6,059	(6,059)
<i>Total expenditures</i>	<u>576,031</u>	<u>576,031</u>	<u>547,703</u>	<u>28,328</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(244,031)</u>	<u>(244,031)</u>	<u>(147,700)</u>	<u>96,331</u>
<i>Other financing sources (uses)</i>				
Designated Cash	158,031	158,031	-	(158,031)
Transfers In	86,000	86,000	86,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>244,031</u>	<u>244,031</u>	<u>86,000</u>	<u>(158,031)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(61,700)	(61,700)
<i>Fund Balance - Beginning of Year</i>	-	-	135,910	135,910
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,210</u>	<u>\$ 74,210</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			55,744	
Adjustments to expenditures (liabilities)			(33,737)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (39,693)</u>	

The accompanying notes are an integral part of these financial statements

**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2009**

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2009	Name and Location of Safekeeper
Wells Fargo Bank	FGIOHOH00895	318,893	WF CALIF
	FNCL 867437	1,545,987	WF CALIF
	FNCL 879100	108,189	WF CALIF
Total		<u>\$ 1,973,068</u>	

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**CITY OF SANTA ROSA**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2009**

Schedule II

Bank Account Type/Name	Wells Fargo Bank
Water Meter Deposit Fund	41,391
El Rito Creek Improvements	50,315
DPS Building	104
Los Amigos Project	11,171
Convention & Information Center	31,388
I-40 highway Infrastructure Project	2
Lodgers Tax Fund	225,034
Golf Course Fund	532
Main Street Fund	3,097
Blue Hole Diving Facility	8,202
Fire fund	31,232
Sewer Fund	45,559
General Fund	192,288
Water Fund	57,485
Water Meter Deposit Fund Money Market Act	12,035
General Fund Money Market Act	111,769
Water Sewer Fund Money Market Act	8,517
CDBG S. 2nd Street	974
Gasoline Tax Fund	61,146
Airport Fund	2,465
Moise Memorial Library	47,603
Downtown Improvments	90,307
Culture Corridors Project	9,993
Emergency Medical Services	275
Scenic Byways	5,978
Juvenile Recreational Fund	10,893
CDBG Economic Development Grant	1
ADA Assessments	8,795
Law Enforcement Protection Fund	316
EMS Fire & Rescue Fund	5,820
Airport Construction Account	5,579
Blue Hole Improvements	360
Riverroad Drainage Fund	1,684
Landfill Closure	72,535
Planning Grant	11,004
Power Dam Fund	11,358
Gutierrez Park	1,834
Parks Renovation Fund	1,783
RUS Project	3,425
Senior Center Nutrition Site	9,334
Local Government Correction Fund	5,815
Solid Waste Fund	2,939
Repair & Replacement Fund	57,943
2007 Map Project	28,943
General Fund CD	11,736
Lodgers Tax CD	17,701
Water Fund CD	94,335
Convention Center CD	105,100
Convention Center CD 2	106,588
<b>Total On Deposit</b>	<b>1,624,683</b>
Reconciling Items	(68,231)
Unreconciling Items	2,088,660
<b>Total per bank, June 30, 2009</b>	<b>3,645,112</b>
<b>Total, all banks and petty cash</b>	<b>\$ 3,645,112</b>

The accompanying notes are an integral part of these financial statements.

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**COMPLIANCE SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## 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

Albert Campos Jr., Mayor  
City Council  
City of Santa Rosa  
Santa Rosa, New Mexico  
and  
Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the City of Santa Rosa as of and for the year ended June 30, 2009, and have issued our report thereon dated October 26, 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 City of Santa Rosa is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Santa Rosa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of City of Santa Rosa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness as FS 09-10.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies as findings FS 97-03, FS 06-03, FS 07-02, FS 09-01, FS 09-07 and FS 09-08.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Santa Rosa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 00-17, FS 03-03, FS 09-02, FS 09-03, FS 09-04, FS 09-05, and FS 09-06.

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

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

*Diigo Professional Services, LLC*

Albuquerque, New Mexico  
October 26, 2012

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**FEDERAL FINANCIAL ASSISTANCE**

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# Griego Professional Services, LLC

Certified Public Accountants

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVERCOMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Albert Campos Jr., Mayor  
City Council  
City of Santa Rosa  
Santa Rosa, New Mexico  
and  
Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Compliance

We have audited the City of Santa Rosa's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in item FA 2009-01 in the accompanying schedule of findings and questioned costs City of Santa Rosa did not comply with requirements regarding reporting that are applicable to its major federal programs. Compliance with such requirements is necessary, in our opinion, for City of Santa Rosa to comply with the requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, City of Santa Rosa, New Mexico complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of our auditing procedures also disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item FA 2009-01.

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## Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting as finding FA 2009-01.

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

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the City, the New Mexico State Legislature and its committees, and the New Mexico Department of Finance and Administration, the State Auditor, federal awarding agencies, and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.



Albuquerque, New Mexico  
October 26, 2012

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Schedule of Expenditures of Federal Awards  
June 30, 2009

Schedule III  
Page 1 of 2

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Rural Utilities Services	N/A	10.854	\$ 173,148
<b>Total U.S. Department of Agriculture</b>			<u>173,148</u>
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Grant Block/State Program	07-C-RS-I-06-G-57	14.228	17,859
Community Development Grant Block/Blue Hole Grant (1)	06-C-RS-I-04-G-72	14.228	478,646
<b>Total U.S. Department of Housing and Urban Development</b>			<u>496,505</u>
<b>U.S. Department of Transportation</b>			
Airport Improvement Program		20.106	88,936
STEP	09-PT-63-092	20.600	13,047
ODWI	08-AL-K8-092	20.601	<u>7,108</u>
<b>Total U.S. Department of Transportation</b>			<u>109,091</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 778,744</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Schedule of Expenditures of Federal Awards  
June 30, 2009

Schedule III  
Page 2 of 2

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Santa Rosa and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The City did not provide any federal awards to subrecipients during the year

3. Non-Cash Federal Assistance

The City did not receive any non-cash federal assistance during the year

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 778,744
Total expenditures funded by other sources	<u>7,144,907</u>
Total expenditures	<u><u>\$ 7,923,651</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**Section I – Summary of Audit Results**

*Financial Statements:*

- |                                                                                          |            |
|------------------------------------------------------------------------------------------|------------|
| 1. Type of auditors’ report issued                                                       | Disclaimer |
| 1. <i>Internal Control over Financial Reporting and on Compliance and Other Matters:</i> |            |
| a. Material weakness identified?                                                         | Yes        |
| b. Significant deficiency identified not considered to be a material weaknesses?         | Yes        |
| c. Control deficiency identified not considered to be a significant deficiency?          | Yes        |
| d. Noncompliance material to the financial statements noted?                             | No         |

*Federal Awards:*

- |                                                                                                                       |           |
|-----------------------------------------------------------------------------------------------------------------------|-----------|
| 1. Internal control over major programs:                                                                              |           |
| a. Material weaknesses identified?                                                                                    | No        |
| b. Significant deficiency identified not considered to be material weaknesses?                                        | Yes       |
| c. Control deficiency identified not considered to be a significant deficiency?                                       | No        |
| 2. Type of auditors’ report issued on compliance for major programs                                                   | Qualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes       |
| 4. Identification of major programs:                                                                                  |           |

CFDA Number	Federal Program
14.228	Community Development Block Grant – State Administered

- |                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**Section I – Financial Statement Findings**

**FS 97-03 Depreciation – Repeated (Significant Deficiency)**

*Condition:* A complete capital asset depreciation schedule was not available.

*Criteria:* A depreciation schedule should be maintained. The depreciation schedule should be separated by each major class of asset to comply with GASB 34.177a. Also a depreciation schedule is required to comply with 2.20.1.12 NMAC.

*Effect:* The capital asset records could be overstated/understated.

*Cause:* The current management has worked on compiling a schedule however it was never completed.

*Auditor's Recommendation:* The City needs to prepare a schedule and maintain it every year and have it ready for the audit when the audit is started.

*Management's Response:* The City of Santa Rosa's software program has the capability of developing such reports, the problem we are encountering is getting staff trained in this section of our software. Once this has been done these reports should be on target in the future. We will be working with our software company to get staff trained in this area as this the 2008-2009 fiscal year is the first year on the new software Incode system. The City of Santa Rosa has also hired a CPA firm to help with this process.

**FS 00-17 Late Audit Report – Repeated and Revised (Non-Compliance)**

*Condition:* The audit report was not submitted timely to the State Auditor's Office.

*Criteria:* State and Local government audits have a prescribed due date set by the State Auditor's Office, per State Auditors Rule 2.2.2.9 A (1)(d).

*Effect:* The audit report was not completed by the due date. Also the users of the financial statements such as legislators, creditors, bondholders, State and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on State and federal funding and also further delay timely submission of future audit reports.

*Cause:* The prior year's audit report was not submitted timely to the State Auditor's Office. The situation led to the current year's audit report not being submitted timely.

*Auditor's Recommendation:* The City needs to work on making sure their audits are caught up and have a plan as to which fiscal year will be submitted on time once all other audits are caught up.

*Management's Response:* The City of Santa Rosa has worked in the past to get its audits current and up to date. In the 2008-2009 fiscal year the City of Santa Rosa implemented a new software program. We had discussed and were certain that the 2008-2009 audit, would be an unknown outcome, as we hoped the conversion had gone well. With a new auditing firm coming in and not knowing exactly where we were at, the auditing firm apparently had issues with completing our 2008-2009 audit. Thus, putting the City extremely delayed in this process. The City of Santa Rosa will be working diligently to get the following audits current and up to date. The City of Santa Rosa has also hired a CPA Firm to help with this process.

*Auditor Rebuttal:* The City is responsible for the completion of the audit. After numerous requests, information regarding cash accounts and bank reconciliation and related revenue and expenditure information was not provided.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS 03-03 Disbursements – Revised and Repeated – (Non-Compliance)**

*Condition:* We noted the following issues during our test work of cash disbursements:

1. In 3 out of the 14 items available for review, the purchase order and/or the purchase requisition did not tie to the invoice.
2. 11 out of 32 items did not have proper supporting documentation available for review, totaling \$5,421

*Criteria:* NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated. Also, good accounting practices require the purchase order/requisition to tie to the invoice within a reasonable amount, determined by management, usually 5%.

*Cause:* The lack of proper procedures has still not been addressed.

*Effect:* Failure to perform the above functions could result in erroneous payments.

*Auditor's Recommendation:* Prior to payment, all invoices (or supporting documentation) should show evidence of receipt of goods and services, verification of prices, extensions and footings, and approval to pay, along with procurement compliance.

*Managements Response:* In many cases the requisition was made then the purchase order was made for the requested amount. At this point, occasionally invoiced amounts were different from requested amounts due to additional items needed. On these occasions department heads were notified of the difference in the amounts and authorization was obtained for payment. Our agency in the past has not had any problems as long as budget and cash funds are available at the time. All purchases are approved by the city administrator and the finance officer. The City of Santa Rosa follows the procurement code police it has in place. All duplicate check stubs are attached to the purchase order, requisition, quote of needed or sole source purchase form with invoice, this is all that is required. These items have been corrected prior to 2008-2009. Auditor was notified of procurement policy and this item should be resolved.

**FS 06-03 Inactive Water/Sewer Accounts Receivable – Repeated (Significant Deficiency)**

*Condition:* When an accounts receivable is put on the inactive list, it is dropped from the accounts receivable listing. The dollar amount of understated receivables is not available at this time.

*Criteria:* According to GASB 34 12(e) the City will “measure and report all assets (both financial and capital).” So the City must keep all receivables considered collectible on the books of record until they can be deleted legally (with proper approval or by statute).

*Effect:* Receivables are being understated on the financial statements because they are not being included in the receivable/billings books of record

*Cause:* Management was unaware of this software problem

*Auditor's Recommendation:* City needs to reconcile what is on their general ledger for utility receivables and tie that out to what is on the software for unpaid customers.

*Management's Response:* The City of Santa Rosa purchased a new software program as this was an issue with Eldorado Softworld program. The new Incode system should have resolved this issue. The auditing firm was informed of this.

*Auditor Rebuttal:* The City is responsible for reconciling each account to ensure appropriate and accurate recording and reporting..



**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS 07-02 Unbudgeted Transfer – Repeated (Significant Deficiency)**

*Condition:* The General Fund transferred \$37,000 to the Los Amigos Fund without a properly approved budgeted transfer. The City received an NMFA loan to purchase building improvements but was not properly budgeted as a revenue resource and a corresponding expenditure.

*Criteria:* According to sections 6-6-6 through 6-6-11 NMSA 1978 Compilation “prohibits local governments from making transfers in excess of the approved budget.”

*Effect:* Management did not comply with the Section 6-6-6 through 6-6-11 NMSA 1978 Compilation.

*Cause:* A budgetary adjustment did not occur to correct budget deficits.

*Auditor’s Recommendation:* Management should ensure that all funds are reviewed for possible overruns and request the appropriate budgetary increases before transfers exceed budget.

*Management’s Response:* The City of Santa Rosa is currently doing a final budget adjustment at the end of the year to catch any adjustments that were made and not budgeted for. All documentation of Budget Adjustments was given to the auditor. (Reference Resolutions #'s 09-02, 09-20, 09-33 and 10-04).

*Auditor Rebuttal:* The City is responsible for the completion of the budget within the accounting system. The City must enter the Budget Adjustments into the system; providing Budget Adjustments to the auditor without entering the Adjustments into the system is not sufficient.

**FS 09-01 Lack of Supporting Documentation (Significant Deficiency)**

*Condition:* During our tests of Travel & Per Diem, Individually significant transactions, and credit cards we noted four transactions in which the client could not provide supporting documentation. The items without supporting documentation had a total value of \$132,794.03.

*Criteria:* NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated.

*Effect:* The City is in violation of NMAC 6 20 2.14. The City’s auditors were also not able to test compliance in the areas described above.

*Cause:* Records were not properly completed and maintained. Proper internal controls were not implemented at the time to prevent the loss of supporting documentation for these invoices.

*Auditor’s Recommendation:* We recommend that personnel in charge of documents review the proper procedures for maintaining documents, and seek to establish better controls over the handling of these documents.

*Management’s Response:* On this issue, the auditor was advised that checks 42109 and 83108 were not checks they were deposits. Check 1527 was given to the auditing firm and check #1010 is actually dated February 18, 2010 for the amount of \$233, 71. Other documentation provided.

*Auditor Rebuttal:* The City is responsible for the ensuring proper information and documentation related to audit processes up to and through the date of fieldwork.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS-09-02 Excess partial day Per Diem – Travel & Per Diem (Non-Compliance)**

*Condition:* During our testwork we found 2 instances of the 5 travel related disbursements tested that had the incorrect partial day per diem rate for out of town travel.

*Criteria:* NMAC 2.42.2.8.B(1): Partial day per diem rate: Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;
- (e) “Occasionally and irregularly” means not on a regular basis and infrequently as determined by the agency. For example, an employee is not entitled to per diem rates under this subparagraph if the employee either travels once a week or travels every fourth Thursday of the month. However, the employee is entitled to per diem rates under this subparagraph if the employee either travels once a month with irregular destinations and at irregular times or travels four times in one month and then does not travel again in the next two months, so long as this is not a regular pattern.
- (f) “Normal work day” means 8 hours within a nine-hour period for all public officers and employees both salaried and non-salaried, regardless of the officers’ or employees’ regular work schedule.

*Effect:* Not using the correct partial day per diem rates could cause City of Santa Rosa to over-spend on out of town travel and could make the city more vulnerable to incidents of fraud within travel related expenditures.

*Cause:* The City was paying employees \$30 for 5 and 7 hours partial days which they should have only been receiving \$12 and \$20.

*Auditor Recommendation:* We recommend that the City Council implement travel and per diem policies that are within the amounts of NMAC rules in order to safeguard against over spending or fraud.

*Management Response:* The City of Santa Rosa has always understood that the final day begins at 12:00 a.m. of that day. The checks stated were overnight per diem and were more than 12 hours away from their normal work environment. Thus getting paid the \$ 30,00.

**FS 09-03 – Credit Cards (Non-Compliance)**

*Condition:* During our testwork of Credit Card usage and transactions, we discovered a credit card was utilized by the City during the fiscal year for purchases other than gas. The total amount the variances noted was \$1,538.34.

*Criteria:* Laws of 2007, Regular Session, Chapter 28, Section 3, Subsection L states, “Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(l) NMSA 1978.”

*Effect:* This gives the cardholder direct access to public funds with the possibility of incurring unauthorized interest charges, which negates cash controls and is not good accounting practice.

*Cause:* The administration of the City set up a credit card for use in general operation with vendors.

*Auditors’ Recommendation:* The City should cancel the credit cards and only utilize procurement cards authorized by Section 6-5-9(l) NMSA 1978.

*Management’s Response:* The City of Santa Rosa has vendor cards to home depot. These cards are not considered credit cards, no pin numbers are required and cards cannot be used with any other vendor. The bill is paid directly to the vendor not to a bank or financial institution.

*Auditor Rebuttal:* The City is responsible for understanding State Compliance issues. The City should review the State Procurement card policies and implement them. Any credit account at a vendor’s location is considered a credit card.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS 09-04 – Payroll (Non-Compliance)**

*Condition:* During our test work of personnel files, GPS noted the following:

- 7 out of 24 employees tested did not have an I-9 completely filled out or on file
- 7 out of 24 employees did not have their wage authorized in the form of a contract for the current fiscal year
- 2 out of 24 employees did not have a W-4 on file
- 2 out of 24 employees did not have timesheets available to view to ensure they were paid for the correct amount of hours

*Criteria:* NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a Form I-9 within 3 days of hire. Guidance regarding Form I-9 also states that if photocopies of identification are kept for any single employee they must be kept for all employees. Photocopies of identification also do not relieve the obligation to fully complete Section 2 of the Form I-9 nor is it an acceptable substitute for proper completion of the Form I-9 in general.

*Effect:* The City is not in compliance with New Mexico State Statutes. The City could be subject to penalties or possibly legal action. Not paying employees the correct salary based upon supporting documentation is a failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

*Cause:* The City's documentation retention is not what it should be, the client could not provide many of the documents necessary because they had been lost or misfiled.

*Auditors' Recommendations:* We recommend that the City make periodic checks to ensure all employees are earning the correct rate based upon their contract and to ensure that all employees have all the proper documentation for their pay rates, W-4s, timesheets and I-9s.

*Management's Response:* The City of Santa Rosa has updated all I-9 forms. The wage authorization form is only done when a wage increase is processed for any employee. The city of Santa Rosa has updated all W-4 forms. All time sheet were given to auditor when he was in our office except for one out the 24.

**FS 09-05 Segregation of Duties (Non-Compliance)**

*Condition:* There is only one employee that does all the duties for the payroll cycle without anyone reviewing her work. Also the City Administer was approving his own travel expenses for reimbursement without any other City employee reviewing the transactions.

*Criteria:* Segregation of duties in all accounting processes as indicated in NMAC 6.20.2.11 is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

*Effect:* Segregation of duties and strong internal control policies, prevent and reduce the risk that errors or irregularities may be made without detection. A lack of segregation of duties makes the City vulnerable to the threat of loss or theft of revenue from fraudulent activities.

*Cause:* The City did not cross train employees in order for them to review and approve the payroll process. The City was not requiring any official to approve the City administers travel expenses.

*Auditors' Recommendation:* The City should develop a formal review process for all transaction cycles. The City should segregate duties as much as is possible with limited resources and have an acceptable method to review and approve cash, payroll and disbursement transactions.

*Management's Response:* The City of Santa Rosa has assigned a few employees to review payroll before processing. The City of Santa Rosa's Finance Officer approves all travel expenses and Accounts Payable Clerk reviews all documentation before check is processed.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS 09-06 — Internal Controls Over Non-Standard Journal Entries (Other Matter)**

*Condition:* The District did not have adequate internal controls over non-standard journal entries entered into its accounting system.

*Criteria:* Good accounting practices state that journal entries should be completed by knowledgeable staff and then approved by someone in management.

*Effect:* Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated. The City may be at risk for fraudulent activity without a proper review process over journal entries.

*Cause:* The City had limited knowledgeable staff that is able to review journal entries. As a result, proper controls over journal entries have not been maintained.

*Auditors' Recommendation:* The City should update their policies and procedures manual regarding the review and approval of journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported.

*Management's Response:* The finance office has implemented a review process for all Journal Entries. All documentation is attached to each Journal Entry.

**FS 09-07 Capital Asset Inventory (Significant Deficiency)**

*Condition:* During our capital asset testwork, we noted that management did not perform a year-end physical inventory count for all capital assets.

*Criteria:* State Auditor Rule 2.2.2.10, Subsection Y states that each agency shall conduct an annual physical inventory count of all equipment listed on the agency's capital asset inventory listing as of year-end. The agency must then certify the correctness of the physical inventory count and the certification must be provided to the agency's auditors.

*Effect:* Not in compliance with the State Auditor Rule 2.2.2.10 requirements pertaining to the correctness of property listed on the financial statements.

*Cause:* Lack of effective controls or procedures associated with capital assets.

*Auditors' Recommendation:* Management should establish controls and procedures necessary to ensure that a physical inventory of all equipment is performed. Additionally, we recommend that reconciliation between the physical inventory results and the capital asset inventory listing be performed to identify any necessary adjustments.

*Management's Response:* The City of Santa Rosa's software is capable of this procedure. We are working with our software company to provide training to our employees to be able to accomplish this task.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
Findings and Questioned Costs  
June 30, 2009

**FS 09-08 Noncompliance with Budget Requirements (Significant Deficiency)**

*Condition:* The City had expenditure functions where actual expenditures exceeded budgetary authority in the following funds:

**Major Funds:**

General Fund	\$ 232,338
Lodger's Tax Fund	802
CDBG 2 <sup>nd</sup> Street Fund	52,340

**Nonmajor Funds:**

EMS Fund	5,944
Law Enforcement Protection Fund	486
Lodger's Tax Promotional Fund	17,711
EMS, Fire & Rescue Fund	2,948
Tourism/Convention Center Fund	199,002
Mainstreet Fund	1,978
Blue Hole Improvements Fund	28
Airport Construction Fund	164,094
2007 MAP Project Fund	12,836
Planning Grant Comp Master Plan Fund	17,860
Scenic By-Way	<u>5,978</u>

**Total All Funds** \$ 714,345

*Criteria:* According to sections 6-6-6 through 6-6-11 NMSA 1978 Compilation "prohibits local governments from making expenditures in excess of the approved budget."

*Effect:* The City is in violation of sections 6-6-6 through 6-6-11 of the NMSA 1978, which requires each fund to disburse money for its specific purpose in accordance with its budget. The City has not complied with the requirement to ensure adequate cash is available for budgeted expenditures. This could result in budgeting cash that is not available.

*Cause:* The City did not make the appropriate budgetary transfers to alleviate the over-expenditure.

*Auditor's Recommendation:* The City should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

*Management's Response:* The City of Santa Rosa provided all budget adjustment to the auditor however, the budget adjustments were not entered into the general ledger system. (Reference Resolution #'s 09-02, 09-09, 09-19, 09-20, 09-22, 09-33 & 10-04).

**FS 09-09 Bids (Non-Compliance)**

*Condition:* During our State Auditor Compliance testwork, we noted that management could not provide proof of a sealed bid for one out of two bids tested.

*Criteria:* State Auditor Rule 2.40.2.13 states that all non exempt procurement by state agencies shall be achieved by competitive sealed bids or competitive sealed proposals.

*Effect:* Not in compliance with the State Auditor Rule 2.40.2.13 requirements pertaining to sealed bids or proposals for all professional services over \$50,000.

*Cause:* Lack of effective controls or procedures associated with bids.

*Auditors' Recommendation:* Management should establish controls and procedures necessary to ensure that bids and proposals are received sealed and that staff is documenting or keeping documentation to provide proof.

**STATE OF NEW MEXICO**  
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*Management's Response:* The project in question, refer to auditors notes: CDBG S.2<sup>nd</sup> Street sewer, and street improvements.

**FS 09-10 – Bank Reconciliations (Material Weakness)**

*Condition:* During the performance of audit procedures relating to cash and bank reconciliations, the following items were noted:

- There was an un-reconciled difference of \$99,622 between the bank statements and the general ledger.

*Criteria:* Good accounting practices state that bank statements should be reconciled to the General Ledger monthly and on a timely basis. In addition, a cash reconciliation that reconciles from the bank to the general ledger balance should be prepared to determine that all transactions have been recorded properly and to discover bank errors

*Effect:* Reconciling cash accounts is essential to operational and management decisions. Delays in reconciling accounts may result in unnecessary adjustments which are not properly supported.

*Cause:* The cause appears to be lack of appropriate bank statements dated June 30, 2009 available for review.

*Auditor's Recommendation:* We recommend that each bank statement is reconciled to the general ledger balances on a monthly basis and all supporting documentation, including bank statements, be maintained.

*Management's Response:* After reviewing the un-reconciled difference, it was found that the amounts were bonds or loans from NMFA. These items have never been entered into the General Ledger. We have hired a CPA firm to help us enter these items into our software General Ledger correctly.

**Section III – Federal Award Findings**

**FA 2009-01 – Data Collection Form (Significant Deficiency)**

*Applicable Federal Programs:* All Programs

*Questioned Costs:* None

*Condition:* The City did not submit its annual Data Collection Form to the Federal Audit by the due date of March 31, 2010. This finding applies to all federal programs.

*Criteria:* Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” establishes uniform audit requirements for non-Federal entities administering Federal awards. This requires that the Data Collection Form be submitted nine months after year end.

*Effect:* The effect of this condition is non-compliance with the OMB Circular A-133 requirement to submit the Data Collection Form timely, which can result in the loss of federal funding.

*Cause:* The City's audit was not completed timely because the City's books and records were not ready for audit, resulting in the delay in the submission of the Data Collection Form for the current year.

*Auditor's Recommendation:* We recommend that the City have its books and records ready for audit in order to complete the audit process timely so the Data Collection Forms can be submitted timely in the future.

*Management's Response:* The City of Santa Rosa has currently hired a CPA firm to help on our record keeping and compliance with applicable laws and regulations. We are confident that for our next audits and records will be ready and in order so there is no delay. We look forward in the near future to be in compliance.

**STATE OF NEW MEXICO**  
City of Santa Rosa  
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**Section III Prior Year Audit Findings**

97-3 Depreciation-Repeated  
00-17 Audit Report Completion-Repeated  
03-03 Disbursements-Repeated and Revised  
04-01 Interest Earned on CD's-Resolved  
04-03 Budget Overruns-Resolved  
04-07 Incorrect Trial Balances-Resolved  
06-03 Inactive Water/Sewer Accounts Receivable-Repeated  
07-01 Data Collection Form-Repeated  
07-02 Unbudgeted Transfer-Repeated  
07-03 Current Copy of CDL kept in Payroll Files-Resolved  
08-01 New Hire Reporting-Resolved  
08-02 Non-Permanent Employees-Resolved  
08-03 Incorrect 1099 Forms-Resolved  
08-04 Unknown Monies Received-Resolved  
08-05 Professional Services Contract-Resolved

**Section IV Other Disclosures**

**Exit conference**

On June 4, 2012, an exit conference was held with JJ Griego, CPA of Griego Professional Services LLC, with Albert Campos, Jr, Mayor, Margarita Mireles, City Clerk, Yolanda Chavez, Administrative Assistant and Alvin Maestas, Sr., President.

**Preparation of Financial Statements**

These financial statements have been prepared by the independent auditor, Griego Professional Services, LLC. The contents of these financial statements remain the responsibility of the City.