

STATE OF NEW MEXICO



CITY OF TUCUMCARI

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
CITY OF TUCUMCARI**

Official Roster  
June 30, 2011

City Council

Mayor	Jim Witcher
Commissioner	Robert Lumpkin
Commissioner	Jimmy Sandoval
Commissioner	Arniel Curnutt
Commissioner	Antonio Apodaca

Administrative Officials

City Manager (through October 2011)	Bobbye Rose
Acting City Manager (as of October 2011)	Doug Powers
Assistant City Manager	Mike Cherry
City Clerk	Christine Dougherty
City Planning Director (through October 2011)	Doug Powers
Acting City Planning Director	Yvette Fazekas
City Finance Director	Dennis Dysart

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
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**STATE OF NEW MEXICO  
CITY OF TUCUMCARI**

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**FINANCIAL SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector Balderas  
New Mexico State Auditor  
City Manager, Mayor, and  
City Council Members  
City of Tucumcari  
Tucumcari, New Mexico

We have audited the accompanying 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 of City of Tucumcari, New Mexico (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statement of each for the City's nonmajor governmental and fiduciary funds, and the budgetary comparisons for the major capital project funds, debt service 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, 2011, as listed in the table of contents. These financial statements are the responsibility of City of Tucumcari, New Mexico's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tucumcari, New Mexico, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of City of Tucumcari, New Mexico as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2012 on our consideration of Tucumcari, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The City 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 a required part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. 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 Governments and Non-Profit Organizations* and is not a required part of the financial statements. The Financial Data Schedule is required by the U.S. Department of Housing and Urban Development. The "Supporting Schedules" listed in the table of contents are presented for purposes of additional analysis are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

GRIEGO PROFESSIONAL SERVICES, LLC

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Albuquerque, New Mexico  
April 30, 2012

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,764,685	\$ 3,043,987	\$ 4,808,672
Short term investments	460,023	448,021	908,044
Receivables			
Property taxes	11,146	-	11,146
Other taxes	470,080	-	470,080
Intergovernmental	688,532	18,430	706,962
Customers, net of allowance	-	538,397	538,397
Other accounts receivable	34,999	70,600	105,599
Prepaid insurance	51,920	24,039	75,959
Inventory	-	176,062	176,062
Internal balances	(556,761)	556,761	-
<b>Total Current Assets</b>	<u>2,924,624</u>	<u>4,876,297</u>	<u>7,800,921</u>
<b>Noncurrent Assets</b>			
Restricted cash and equivalents	218,857	550,258	769,115
Bond issuance costs (net of accumulated amortization of \$824)	-	15,663	15,663
Capital assets	20,165,062	48,946,839	69,111,901
Less: accumulated depreciation	<u>(10,292,087)</u>	<u>(20,103,161)</u>	<u>(30,395,248)</u>
<b>Total Noncurrent Assets</b>	<u>10,091,832</u>	<u>29,409,599</u>	<u>39,501,431</u>
<b>Total Assets</b>	<u>\$ 13,016,456</u>	<u>\$ 34,285,896</u>	<u>\$ 47,302,352</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 88,351	\$ 599,236	\$ 687,587
Accrued payroll liabilities	193,772	62,082	255,854
Customer deposits payable	1,976	118,713	120,689
Other accrued liabilities	4,133	43	4,176
Accrued interest payable	10,590	1,226	11,816
Current portion of accrued compensated absences	40,238	3,559	43,797
Current portion of long term obligatons	194,030	123,880	317,910
<b>Total Current Liabilities</b>	<b>533,090</b>	<b>908,739</b>	<b>1,441,829</b>
Noncurrent Liabilities			
Non current portion of accrued compensated absences	91,855	53,811	145,666
Bonds payable	2,157,702	6,124,006	8,281,708
Landfill liability	-	4,234,793	4,234,793
<b>Total Noncurrent Liabilities</b>	<b>2,249,557</b>	<b>10,412,610</b>	<b>12,662,167</b>
<b>Total Liabilities</b>	<b>2,782,647</b>	<b>11,321,349</b>	<b>14,103,996</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	7,521,243	18,376,662	25,897,905
Restricted for:			
Debt service	236,415	-	236,415
Capital projects	56,699	-	56,699
Special revenue funds/other purposes	1,414,590	411,015	1,825,605
Unrestricted	1,004,862	4,176,870	5,181,732
<b>Total Net Assets</b>	<b>10,233,809</b>	<b>22,964,547</b>	<b>33,198,356</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,016,456</b>	<b>\$ 34,285,896</b>	<b>\$ 47,302,352</b>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2011**

	<b>Program Revenues</b>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b><u>Functions/Programs:</u></b>				
<b>Primary Government</b>				
Governmental Activities:				
General government	\$ 1,665,567	\$ 1,369,581	\$ 393,859	\$ -
Public safety	1,774,889	272,570	643,316	-
Culture and recreation	496,290	49,178	-	-
Health and welfare	570,373	-	361,926	-
Public works	4,245,655	13,588	2,034,641	1,767,946
Interest on long-term debt	92,886	-	-	-
<b>Total governmental activities</b>	<b>8,845,660</b>	<b>1,704,917</b>	<b>3,433,742</b>	<b>1,767,946</b>
Business-type activities				
Airport	510,470	373,516	-	62,704
Joint Utility	3,189,893	2,148,946	-	4,373,288
Sanitation	3,716,853	863,852	-	846,041
Housing Authority	1,165,204	175,906	1,052,347	150,854
<b>Total business-type activities</b>	<b>8,582,420</b>	<b>3,562,220</b>	<b>1,052,347</b>	<b>5,432,887</b>
<b>Total primary government</b>	<b>17,428,080</b>	<b>5,267,137</b>	<b>4,486,089</b>	<b>7,200,833</b>

**General Revenues:**

Taxes

Property taxes

Gross receipts taxes

Other taxes

Interest income

Transfers in (out)

Miscellaneous income

Total General Revenues and Transfers

Change in net assets

Total net assets - beginning of year

Total net assets - end of year

The accompanying notes are an integral part of these financial statements

Net (Expenses) Revenues and Changes in Net Assets

---

Governmental Activities	Business-type Activities	Total
\$ 97,873	\$ -	\$ 97,873
(859,003)	-	(859,003)
(447,112)	-	(447,112)
(208,447)	-	(208,447)
(429,480)	-	(429,480)
(92,886)	-	(92,886)
(1,939,055)	-	(1,939,055)
-	(74,250)	(74,250)
-	3,332,341	3,332,341
-	(2,006,960)	(2,006,960)
-	213,903	213,903
-	1,465,034	1,465,034
-	-	-
62,962	-	62,962
2,585,617	-	2,585,617
1,123,271	318,477	1,441,748
3,282	7,241	10,523
(73,382)	73,382	-
385,350	203,981	589,331
4,087,100	603,081	4,690,181
2,148,045	2,068,115	4,216,160
8,085,764	20,896,432	28,982,196
\$ 10,233,809	\$ 22,964,547	\$ 33,198,356

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<u>General Fund</u>	<u>Fire Districts Fund</u>	<u>Gasoline Tax Fund</u>
<b>Assets</b>			
<i>Current:</i>			
Cash and cash equivalents	\$ 884,091	\$ 449,047	\$ -
Short term investments	-	102,441	-
Accounts receivable			
Property taxes	11,146	-	-
Other taxes	250,314	-	128,332
Intergovernmental	29,904	-	-
Miscellaneous	403	-	-
Interfund receivable	105,491	-	-
Inventory	-	-	-
Prepaid expenses	51,920	-	-
Interfund note receivable	-	-	-
<i>Total assets</i>	<u>\$ 1,333,269</u>	<u>\$ 551,488</u>	<u>\$ 128,332</u>
<b>Liabilities and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 20,181	\$ 887	\$ 2,888
Accrued payroll liabilities	127,363	-	5,394
Customer deposits payable	-	-	-
Other accrued liabilities	4,133	-	-
Interfund payable	26,465	-	73,337
Interfund note payable	-	-	-
Deferred revenue - property taxes	-	-	-
<i>Total liabilities</i>	<u>178,142</u>	<u>887</u>	<u>81,619</u>
<b>Fund balances</b>			
Nonspendable	-	-	-
Restricted	-	550,601	46,713
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,155,127	-	-
<i>Total fund balances</i>	<u>1,155,127</u>	<u>550,601</u>	<u>46,713</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,333,269</u>	<u>\$ 551,488</u>	<u>\$ 128,332</u>

The accompanying notes are an integral part of these financial statements

<u>1/8% Economic Development Tax Fund</u>	<u>NMRDRC Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 408	\$ 142,882	\$ 496,911	\$ 1,973,339
318,329	-	39,253	460,023
-	-	-	11,146
-	-	91,434	470,080
-	658,628	-	688,532
-	-	34,596	34,999
128,332	-	-	233,823
-	-	-	-
-	-	-	51,920
52,273	-	-	52,273
<u>\$ 499,342</u>	<u>\$ 801,510</u>	<u>\$ 662,194</u>	<u>\$ 3,976,135</u>
\$ -	\$ 53,154	\$ 10,845	\$ 87,955
-	-	43,626	176,383
-	-	1,976	1,976
-	-	-	4,133
-	658,628	32,154	790,584
-	-	52,273	52,273
-	-	-	-
<u>-</u>	<u>711,782</u>	<u>140,874</u>	<u>1,113,304</u>
52,273	-	-	52,273
447,069	89,728	579,364	1,713,475
-	-	-	-
-	-	-	-
-	-	(58,044)	1,097,083
<u>499,342</u>	<u>89,728</u>	<u>521,320</u>	<u>2,862,831</u>
<u>\$ 499,342</u>	<u>\$ 801,510</u>	<u>\$ 662,194</u>	<u>\$ 3,976,135</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

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	\$	2,862,831
Internal service funds assets and liabilities, included in governmental activities in the statement of net assets:		
Current Assets		10,203
Capital Assets		13,952
Liabilities		(18,395)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		9,859,023
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Accrued interest		(10,590)
Current portion of accrued compensate absences		(40,238)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Noncurrent portion of accrued compensate absences		(91,855)
Bonds payable		(2,351,122)
		_____
Net assets-Governmental Activities	\$	10,233,809

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2011**

	<u>General Fund</u>	<u>Fire Districts Fund</u>	<u>Gasoline Tax Fund</u>
<i>Revenues:</i>			
Property taxes	\$ 326,659	\$ -	\$ -
Gross receipts taxes	2,585,617	-	-
Other taxes	249,679	-	259,362
State grants	291,035	482,982	306,304
Federal grants	101,306	-	1,728,337
Licenses and fees	161,261	-	-
Charges for services	754,784	-	-
Investment income	831	985	-
Miscellaneous	293,964	1,384	11,027
<i>Total Revenues</i>	<u>4,765,136</u>	<u>485,351</u>	<u>2,305,030</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General Government	1,383,837	-	-
Public safety	1,652,356	128,145	-
Culture and recreation	773,167	-	-
Health and welfare	-	-	-
Public works	581,659	-	215,175
Capital Outlay	44,965	19,535	1,812,745
<i>Debt Service:</i>			
Principal	-	49,975	-
Interest	-	4,582	-
<i>Total Expenditures</i>	<u>4,435,984</u>	<u>202,237</u>	<u>2,027,920</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>329,152</u>	<u>283,114</u>	<u>277,110</u>
<i>Other financing sources (uses)</i>			
Operating transfers in	-	-	-
Operating transfers (out)	<u>(717,316)</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(717,316)</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(388,164)	283,114	277,110
<i>Fund balance - beginning of year</i>	<u>1,543,291</u>	<u>267,487</u>	<u>(230,397)</u>
<i>Fund balance - end of year</i>	<u>\$ 1,155,127</u>	<u>\$ 550,601</u>	<u>\$ 46,713</u>

The accompanying notes are an integral part of these financial statements



<u>1/8% Economic Development Tax Fund</u>	<u>NMRDRC Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 326,659
-	-	-	2,585,617
109,758	-	504,472	1,123,271
-	917,768	553,228	2,551,317
-	759,797	60,931	2,650,371
-	-	383,739	545,000
-	-	32,883	787,667
831	-	635	3,282
7,570	-	71,405	385,350
<u>118,159</u>	<u>1,677,565</u>	<u>1,607,293</u>	<u>10,958,534</u>
56,923	-	116,132	1,556,892
-	-	641,441	2,421,942
-	-	418,486	1,191,653
-	-	479,691	479,691
-	-	-	796,834
-	1,624,429	375,176	3,876,850
-	-	138,158	188,133
-	-	88,304	92,886
<u>56,923</u>	<u>1,624,429</u>	<u>2,257,388</u>	<u>10,604,881</u>
<u>61,236</u>	<u>53,136</u>	<u>(650,095)</u>	<u>353,653</u>
5,000	45,000	1,279,864	1,329,864
<u>(63,750)</u>	<u>-</u>	<u>(622,180)</u>	<u>(1,403,246)</u>
<u>(58,750)</u>	<u>45,000</u>	<u>657,684</u>	<u>(73,382)</u>
2,486	98,136	7,589	280,271
<u>496,856</u>	<u>(8,408)</u>	<u>513,731</u>	<u>2,582,560</u>
<u>\$ 499,342</u>	<u>\$ 89,728</u>	<u>\$ 521,320</u>	<u>\$ 2,862,831</u>

The accompanying notes are an integral part of these financial statements

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RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDING JUNE 30, 2011

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

Net change in fund balances - total governmental funds	\$	280,271
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Governmental funds report capital outlays as expenditures. However in  
the statement of activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense:

Capital expenditures		2,750,095
Depreciation expense		(722,120)

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

Decrease in deferred property taxes		(263,697)
Decrease in other deferred revenues		(80,729)

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 bonds		188,133
-----------------------------	--	---------

The activity of the internal service fund is reported with the governmental  
activities on the statement of activities

Revenue		452,979
Expense		<u>(456,887)</u>

Change in net assets of governmental activities	\$	<u><u>2,148,045</u></u>
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## STATE OF NEW MEXICO

Exhibit C-1

## CITY OF TUCUMCARI

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 3,338,160	\$ 3,341,888	\$ 3,359,895	\$ 18,007
Intergovernmental	541,159	451,499	402,865	(48,634)
Licenses and fees	187,950	187,950	161,261	(26,689)
Charges for services	720,593	720,593	754,784	34,191
Investment income	2,500	2,500	831	(1,669)
Miscellaneous	233,595	333,161	279,164	(53,997)
<i>Total revenues</i>	<u>5,023,957</u>	<u>5,037,591</u>	<u>4,958,800</u>	<u>(78,791)</u>
<i>Expenditures:</i>				
Current				
General Government	1,457,658	1,298,479	1,255,367	43,112
Public safety	1,970,743	1,835,546	1,674,028	161,518
Culture and recreation	861,562	924,687	799,467	125,220
Health and welfare	-	-	-	-
Public works	646,369	615,835	590,373	25,462
Education	-	-	-	-
Capital outlay	87,257	89,980	44,965	45,015
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>5,023,589</u>	<u>4,764,527</u>	<u>4,364,200</u>	<u>400,327</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>368</u>	<u>273,064</u>	<u>594,600</u>	<u>321,536</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(464,132)	(717,316)	(717,316)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	463,764	444,252	-	(444,252)
<i>Total other financing sources (uses)</i>	<u>(368)</u>	<u>(273,064)</u>	<u>(717,316)</u>	<u>(444,252)</u>
<i>Net change in fund balances</i>	-	-	(122,716)	(122,716)
<i>Fund balances - beginning of year</i>	-	-	1,085,833	1,085,833
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 963,117</u>	<u>\$ 963,117</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(193,664)	
Expenditure accruals			(71,784)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (388,164)</u>	

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

## STATE OF NEW MEXICO

Exhibit C-2

## CITY OF TUCUMCARI

## FIRE DISTRICTS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	201,930	238,404	482,982	244,578
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,500	1,500	985	(515)
Miscellaneous	-	-	1,384	1,384
<i>Total revenues</i>	<u>203,430</u>	<u>239,904</u>	<u>485,351</u>	<u>245,447</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	129,680	131,625	121,642	9,983
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	258,753	19,535	19,535	-
Debt service				
Principal	54,557	49,975	49,975	-
Interest	-	4,582	4,582	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>442,990</u>	<u>205,717</u>	<u>195,734</u>	<u>9,983</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(239,560)</u>	<u>34,187</u>	<u>289,617</u>	<u>255,430</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	239,560	(34,187)	-	34,187
<i>Total other financing sources (uses)</i>	<u>239,560</u>	<u>(34,187)</u>	<u>-</u>	<u>34,187</u>
<i>Net change in fund balances</i>	-	-	289,617	289,617
<i>Fund balances - beginning of year</i>	-	-	261,871	261,871
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551,488</u>	<u>\$ 551,488</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(6,503)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 283,114</u>	

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

## STATE OF NEW MEXICO

Exhibit C-3

## CITY OF TUCUMCARI

## GASOLINE TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 290,000	\$ 290,000	\$ 283,069	\$ (6,931)
Intergovernmental	3,357,062	2,259,330	2,051,610	(207,720)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	(117,305)	(117,305)
<i>Total revenues</i>	<u>3,647,062</u>	<u>2,549,330</u>	<u>2,217,374</u>	<u>(331,956)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	287,290	279,290	215,866	63,424
Education	-	-	-	-
Capital outlay	3,224,389	1,979,760	1,979,823	(63)
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>3,511,679</u>	<u>2,259,050</u>	<u>2,195,689</u>	<u>63,361</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>135,383</u>	<u>290,280</u>	<u>21,685</u>	<u>(268,595)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(135,383)	(290,280)	-	290,280
<i>Total other financing sources (uses)</i>	<u>(135,383)</u>	<u>(290,280)</u>	<u>-</u>	<u>290,280</u>
<i>Net change in fund balances</i>	-	-	21,685	21,685
<i>Fund balances - beginning of year</i>	-	-	(95,022)	(95,022)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,337)</u>	<u>\$ (73,337)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			87,656	
Expenditure accruals			167,769	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 277,110</u>	

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

## STATE OF NEW MEXICO

Exhibit C-4

## CITY OF TUCUMCARI

1/8% ECONOMIC DEVELOPMENT TAX SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 128,802	\$ 128,802	\$ 131,994	\$ 3,192
Intergovernmental	0	-	0	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	2,500	2,500	831	(1,669)
Miscellaneous	17,570	17,570	7,570	(10,000)
<i>Total revenues</i>	<u>148,872</u>	<u>148,872</u>	<u>140,395</u>	<u>(8,477)</u>
<i>Expenditures:</i>				
Current				
General Government	135,122	135,177	112,452	22,725
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>135,122</u>	<u>135,177</u>	<u>112,452</u>	<u>22,725</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,750</u>	<u>13,695</u>	<u>27,943</u>	<u>14,248</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	5,000	5,000	5,000	-
Operating transfers (out)	(18,750)	(63,750)	(63,750)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	45,055	-	(45,055)
<i>Total other financing sources (uses)</i>	<u>(13,750)</u>	<u>(13,695)</u>	<u>(58,750)</u>	<u>(45,055)</u>
<i>Net change in fund balances</i>	-	-	(30,807)	(30,807)
<i>Fund balances - beginning of year</i>	-	-	477,876	477,876
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,069</u>	<u>\$ 447,069</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(22,236)	
Expenditure accruals			55,529	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 2,486</u>	

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2011**

<b>Assets</b>	Airport	Joint Utility
<b>Current Assets:</b>		
Cash and investments	\$ 47,232	\$ 2,546,467
Receivables		
Intergovernmental	-	-
Customers (net of allowance for uncollectibles)	-	475,527
Other receivables	455	58,252
Interfund receivables	-	556,761
Inventory	47,145	128,917
Prepaid insurance	-	-
Total current assets	94,832	3,765,924
<b>Noncurrent Assets:</b>		
Bond issuance costs, net of accumulated amortization		15,663
Capital assets	5,825,666	33,713,510
Less: accumulated depreciation	(2,997,941)	(13,283,905)
Total noncurrent assets	2,827,725	20,445,268
 Total assets	 \$ 2,922,557	 \$ 24,211,192
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ -	\$ 585,259
Accrued payroll liabilities	4,785	143,089
Current portion of accrued compensated absences	-	-
Current portion of bonds and notes payable	-	113,461
Total current liabilities	4,785	841,809
<b>Noncurrent Liabilities:</b>		
Noncurrent portion of accrued compensated absences	3,025	33,163
Noncurrent portion of capital leases	-	19,633
Noncurrent portion of bonds and notes payable	-	5,409,990
Noncurrent portion of landfill liability	-	-
Total non-current liabilities	3,025	5,462,786
 Total liabilities	 7,810	 6,304,595
 <b>Net Assets</b>		
Invested in capital assets, net of related debt	2,827,725	20,429,605
Unrestricted	87,022	(2,523,008)
Total net assets	2,914,747	17,906,597
 Total liabilities and net assets	 \$ 2,922,557	 \$ 24,211,192

The accompanying notes are an integral part of these financial statements



<u>Solid Waste</u>	<u>Housing Authority</u>	<u>Total</u>	<u>Internal Service Fund</u>
\$ 384,981	\$ 1,063,586	\$ 4,042,266	\$ 10,203
-	18,430	18,430	-
59,996	2,874	538,397	-
11,893	-	70,600	-
-	-	556,761	-
-	-	176,062	-
-	24,039	24,039	-
<u>456,870</u>	<u>1,108,929</u>	<u>5,426,555</u>	<u>10,203</u>
	-	15,663	
4,484,468	4,923,195	48,946,839	113,696
<u>(1,607,220)</u>	<u>(2,214,095)</u>	<u>(20,103,161)</u>	<u>(99,744)</u>
<u>2,877,248</u>	<u>2,709,100</u>	<u>28,859,341</u>	<u>13,952</u>
<u>\$ 3,334,118</u>	<u>\$ 3,818,029</u>	<u>\$ 34,285,896</u>	<u>\$ 24,155</u>
\$ -	\$ 13,977	\$ 599,236	\$ 396
13,199	20,991	182,064	17,389
-	3,559	3,559	610
-	10,419	123,880	-
<u>13,199</u>	<u>48,946</u>	<u>908,739</u>	<u>18,395</u>
9,318	8,305	53,811	-
-	-	19,633	-
-	694,383	6,104,373	-
<u>4,234,793</u>	<u>-</u>	<u>4,234,793</u>	<u>-</u>
<u>4,244,111</u>	<u>702,688</u>	<u>10,412,610</u>	<u>-</u>
<u>4,257,310</u>	<u>751,634</u>	<u>11,321,349</u>	<u>18,395</u>
2,877,248	2,709,100	28,843,678	13,952
<u>(3,800,440)</u>	<u>357,295</u>	<u>(5,879,131)</u>	<u>(8,192)</u>
<u>(923,192)</u>	<u>3,066,395</u>	<u>22,964,547</u>	<u>5,760</u>
<u>\$ 3,334,118</u>	<u>\$ 3,818,029</u>	<u>\$ 34,285,896</u>	<u>\$ 24,155</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Airport</u>	<u>Joint Utility</u>
<i>Operating revenues:</i>		
Charges for services	\$ 373,516	\$ 2,148,946
Miscellaneous operating revenue	<u>-</u>	<u>-</u>
 Total operating revenues	 <u>373,516</u>	 <u>2,148,946</u>
 <i>Operating expenses:</i>		
General and administrative	21,149	797,228
Personnel services	82,260	791,230
Contractual services	1,919	128,957
Supplies and purchased power	204,775	591,546
Maintenance and materials	4,345	68,444
Utilities	16,544	272,541
Depreciation	179,334	394,132
Miscellaneous	<u>-</u>	<u>-</u>
 Total operating expenses	 510,326	 3,044,078
 Operating income (loss)	 (136,810)	 (895,132)
 <i>Non-operating revenues (expenses):</i>		
Taxes	-	263,597
Interest income	-	4,187
Interest expense	(144)	(145,403)
Housing assistance payments	-	-
Amortization expense of bond issuance costs	-	(412)
Grant revenue	62,704	4,373,288
Miscellaneous	<u>-</u>	<u>190,030</u>
 Total non-operating revenues	 <u>62,560</u>	 <u>4,685,287</u>
 Transfers in	 65,882	 470,085
Transfers (out)	<u>-</u>	<u>(462,585)</u>
Total transfers	<u>65,882</u>	<u>7,500</u>
 <i>Net Income</i>	 (8,368)	 3,797,655
 <i>Total net assets - beginning</i>	 <u>2,923,115</u>	 <u>14,108,942</u>
<i>Total net assets - ending</i>	<u>\$ 2,914,747</u>	<u>\$ 17,906,597</u>

The accompanying notes are an integral part of these financial statements

<u>Solid Waste</u>	<u>Housing Authority</u>	<u>Total</u>	<u>Internal Service Fund</u>
\$ 863,852	\$ 175,906	\$ 3,562,220	\$ 452,979
-	6,840	6,840	-
<u>863,852</u>	<u>182,746</u>	<u>3,569,060</u>	<u>452,979</u>
276,091	115,567	1,210,035	-
284,053	190,185	1,347,728	403,619
7,738	-	138,614	12,187
5,983	-	802,304	26,875
2,967,975	216,662	3,257,426	3,053
69,032	83,631	441,748	10,722
95,373	126,481	795,320	-
10,608	-	10,608	431
<u>3,716,853</u>	<u>732,526</u>	<u>8,003,783</u>	<u>456,887</u>
(2,853,001)	(549,780)	(4,434,723)	(3,908)
54,880	-	318,477	-
3,054	-	7,241	-
-	(61,914)	(207,461)	-
-	(370,764)	(370,764)	-
-	-	(412)	-
846,041	1,203,201	6,485,234	-
7,111	-	197,141	-
<u>911,086</u>	<u>770,523</u>	<u>6,429,456</u>	<u>-</u>
116,641	-	652,608	-
(116,641)	-	(579,226)	-
<u>-</u>	<u>-</u>	<u>73,382</u>	<u>-</u>
(1,941,915)	220,743	2,068,115	(3,908)
<u>1,018,723</u>	<u>2,845,652</u>	<u>20,896,432</u>	<u>9,668</u>
<u>\$ (923,192)</u>	<u>\$ 3,066,395</u>	<u>\$ 22,964,547</u>	<u>\$ 5,760</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Enterprise Funds	
	Airport Enterprise Fund	Joint Utility Enterprise Fund
<b>Cash Flows From Operating Activities:</b>		
Cash received from customers	\$ 373,443	\$ 1,993,789
Cash paid to suppliers and employees	(338,796)	(4,099,170)
<b>Net Cash (Used) by Operating Activities</b>	<u>34,647</u>	<u>(2,105,381)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Operating transfers	65,882	7,500
Gross receipts tax		263,597
Grant income	62,704	4,373,288
Housing assistance payments	-	-
Change in landfill closure liability	-	-
Interest expense	(144)	-
Miscellaneous income	-	190,030
<b>Net Cash (Used) by Non-Capital Financing Activities</b>	<u>128,442</u>	<u>4,834,415</u>
<b>Cash Flows From Capital Financing Activities</b>		
Purchase of capital assets	(116,122)	(5,819,871)
Principal paid on capital debt	-	(124,630)
Proceeds from debt issued	-	2,288,000
Interest paid on capital debt	-	(145,403)
<b>Net Cash (Used) by Capital Financing Activities</b>	<u>(116,122)</u>	<u>(3,801,904)</u>
<b>Cash Flows From Investing Activities:</b>		
Inclusion of short term investments in cash equivalents	-	-
Interest income	-	4,187
<b>Net Cash (Used) by Investing Activities</b>	<u>-</u>	<u>4,187</u>
Net (Decrease) in Cash and Cash Equivalents	46,967	(1,068,683)
Cash and Cash Equivalents, Beginning of Year	<u>265</u>	<u>3,615,150</u>
Cash and Cash Equivalents, End of Year	<u>\$ 47,232</u>	<u>\$ 2,546,467</u>

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

Enterprise Funds			
Soild Waste Enterprise Fund	Housing Authority Enterprise Fund	Total	Internal Service Fund
\$ 879,715	\$ 250,679	\$ 3,497,626	\$ 452,979
(3,622,537)	(683,741)	(8,744,244)	(454,875)
(2,742,822)	(433,062)	(5,246,618)	(1,896)
-	-	73,382	-
54,880	-	318,477	-
846,041	1,203,201	6,485,234	-
-	(370,764)	(370,764)	-
2,866,600	-	2,866,600	-
-	-	(144)	-
7,111	-	197,141	-
3,774,632	832,437	9,569,926	-
(1,001,985)	(150,854)	(7,088,832)	-
-	(9,548)	(134,178)	-
-	-	2,288,000	-
-	(62,129)	(207,532)	-
(1,001,985)	(222,531)	(5,142,542)	-
-	22,742	22,742	-
3,054	215	7,456	-
3,054	22,957	30,198	-
32,879	199,801	(789,036)	(1,896)
352,102	863,785	4,831,302	12,099
\$ 384,981	\$ 1,063,586	\$ 4,042,266	\$ 10,203

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Enterprise Funds	
	Airport Enterprise Fund	Joint Utility Enterprise Fund
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (136,810)	\$ (895,132)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	179,334	394,132
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(73)	473,294
Interfund balances	(10,481)	(556,761)
Inventory	-	(71,690)
Prepaid insurance	1,241	13,458
Increase (decrease) in:		
Accounts payable	(596)	(1,490,831)
Accrued liabilities	1,723	96,708
Deferred revenue	-	-
Tenant security deposits	-	-
Due to other governments	-	-
Accrued interest	-	(67,833)
Accrued compensated absences	309	(726)
<b>Net Cash (Used) by Operating Activities</b>	<b>\$ 34,647</b>	<b>\$ (2,105,381)</b>

**Summary of Significant Noncash Activities:**

There was no significant noncash activity during the year ended June 30, 2011.

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

Enterprise Funds		Total	Internal Service Fund
Soild Waste Enterprise Fund	Housing Authority Enterprise Fund		
\$ (2,853,001)	\$ (549,780)	(4,434,723)	(3,908)
95,373	126,481	795,320	-
15,863	67,913	556,997	-
-	-	(567,242)	-
-	-	(71,690)	-
6,693	1,443	22,835	1,854
(6,854)	(77,795)	(1,576,076)	(662)
1,438	(6,717)	93,152	820
-	20	20	-
-	364	364	-
-	(2,866)	(2,866)	-
-	-	(67,833)	-
(2,334)	7,875	5,124	-
<u>\$ (2,742,822)</u>	<u>\$ (433,062)</u>	<u>\$ (5,246,618)</u>	<u>\$ (1,896)</u>

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

City of Tucumcari (the "City") was incorporated in 1908 under provisions of Chapter 3, Article 1 of NMSA, 1978 as amended and regulated by the constitution of the State of New Mexico. The City operates under a commission-manager form of government and provides the following services as authorized by its charter: public safety (police, fire, emergency medical, etc.), roads, water and sewer services, refuse collection, recreation, fixed base airport, low rent housing assistance, public improvements, planning and zoning, economic development, and general administrative services.

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

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

The summary of significant accounting policies of the City is presented to assist in the understanding of the City's Financial Statements. The financial statements and notes to the financial statements are the representation of the City'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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The more significant of the City's accounting policies are described below.

*A. Financial Reporting Entity*

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the City is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another government entity, determine or modify its own budget, or set rates or charges, and issue bonded debt.

The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB no. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used



**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

*A. Financial Reporting Entity (continued)*

in evaluating potential component units is the scope of the public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City has no component units, as defined by GASB Statement No. 14 and / or GASB Statement No. 39. There are no other primary governments with which the City Commissioners are financially accountable.

The primary government of the City of Tucumcari includes all funds and functions which are under the City's control and responsibility and which are included in the City's reports to the Local Government Division of the Department of Finance and Administration. Tucumcari Housing Authority is governed by the City's Board of Commissioners. The annual budget is submitted by the commissioners to the regional office of the Department of Housing and Urban Development (HUD) for approval. The Annual Contribution Contracts (authorizing agreements for funding between Tucumcari Housing Authority and HUD) are signed by the City Commissioners.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary 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*.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

*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 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 follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statement, subject to the same limitation. The City has elected not to apply subsequent private-sector guidance.

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. The City's governmental funds include:

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

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

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

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

The *Proprietary Funds* are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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).

The *Fire Districts Special Revenue Fund* is used to account for the operation and capital expenditures of the fire department with revenues received from the State Fire Marshal. Capital expenditures must be approved in advance by the State Fire Marshal. This fund was created under the authority provided by 59A-53-2 NMSA 1978.

The *Gasoline Tax Special Revenue Fund* is used to account for funds used to maintain roads for which the City is responsible. Financing sources include gasoline taxes imposed by Chapter 7, Article 13 NMSA 1978 and distributed to the City pursuant to 7-1-6.9 NMSA 1978 and New Mexico State Highway Department Cooperative Agreement Funds as provided for in 67-3-28 NMSA 1978. Expenditures are restricted for the purpose of construction, reconstruction, resurfacing or other improvement of public roads, streets, alleys or bridges, including right-of-way and materials acquisition.

The *1/8% Economic Development Tax Special Revenue Fund* is used to account for funds used for Infrastructure Improvements, i.e., Debt, Economic Development Plans and Projects. This fund was created under the authority of 7-19D-11 NMSA 1978 the Gross Receipts and Compensation Tax Act.

The *NMRDRC Capital Projects Fund* is used to account for funds used to develop a city industrial park. Funding is primarily from an anticipated federal government grant. Authority for this fund was granted from the City Council and budget approval.

The City also reports the following major proprietary funds:

The *Airport Fund* accounts for all activities necessary to provide air services.

The *Joint Utility Fund* accounts for all activities necessary to provide water and sewer services for the residents of the City.

The *Solid Waste Fund* accounts for all activities necessary to provide solid waste refuse collection services provided by the City.

The *Housing Authority Fund* accounts for the revenues and expenditures for the housing department's operations that include U.S. Department of Housing and Urban Development (HUD) programs as well as rural projects through the U.S. Department of Agriculture. Included in this fund are the following individual programs:

Low Rent Public Housing Program  
Capital Fund Programs  
Section 8 Housing Choice Voucher Program  
USDA FmHA Rural Housing Program

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

Additionally, the government reports the following fund types:

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned as reported in the Statement of Activities.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues are categorized as (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (b) program-specific operating grants, which includes revenues received from federal and state sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among programs revenues.

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. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Principal operating revenues of the Solid Waste and Ambulance funds are charges to the customers for sales and services. Operating expenses for enterprise funds include the cost of sales and 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.

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

**Cash & Cash Equivalents:** 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.

**Investments:** State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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, property taxes are recorded as revenue when levied net of estimated refunds and uncollectible amounts.

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 10<sup>th</sup> and April 10<sup>th</sup>. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> 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. Property taxes are collected by Quay County and remitted monthly to the City. Quay County cannot provide the City with the amount of property taxes levied over the past ten years that has not been remitted to the City.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Inventory:** Inventory is accounted for on a first in first out method under the consumption method. Inventory for the City is valued at cost.

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

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year per section 12-6-10 NMSA 1978. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Because the City is a Phase III government for purposes of implementing GASB 34, it is not required to retroactively report its major general infrastructure assets. However, it must report all infrastructure assets purchased or built after July 1, 2003. Information Technology Equipment including computer software is included as a capital asset and recorded with furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9C(5). 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.

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	5-50
Furniture & Fixtures	20
Infrastructure	10-65
Land Improvements	20
Machinery & Equipment	3-30
Vehicles	8-15

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2011, along with applicable PERA, FICA, Medicare, and Retiree Health Care contributions.

**Deferred Revenues:** The City recognizes grant revenue 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. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements. Amounts received from reimbursement basis grants are recorded as deferred revenue in the governmental fund financial statements when received more than 60 days after year end.

**Compensated Absences:** The City’s policy regarding compensatory time permits nonexempt employees to accumulate hours worked beyond forty (40) hours of actual work in lieu of overtime payment. Nonexempt police officers, fire fighters and emergency medical personnel may accrue a maximum balance of 240 hours of compensatory time (160 hours of overtime worked) and all other nonexempt employees may accrue a maximum of 120 hours of compensatory time (80 hours of overtime worked).

Classified and unclassified full-time and part-time city employees accrue annual leave based upon a graduated scale based upon their date of hire. Employees are permitted to carryover a maximum of 80 hours annual leave from one calendar year to another. Annual leave accrued as of April 12, 1990, is not subject to the accumulated maximum of 80 hours.

Sick leave is not paid to employees upon termination except for those employed on or before April 12, 1990, who are paid one-half of their accumulated sick leave. Employees with sick leave in excess of 360 hours may sell back to the City a maximum of 120 hours per year at one-half their hourly rate of pay at the end of the calendar year.

**Long-term Obligations:** In the government-wide 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 statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method or the straight line method if the difference from using the effective method is inconsequential. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums, discounts, as well as issuance costs, are recognized in the period bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

**Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the City's fund balances is presented in Note 18.

**Equity Classifications:** In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$1,208,354 of restricted net assets.
- c. Unrestricted Net assets: All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The City's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**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. Significant estimates affecting the City's financial statements include management's estimate of the useful lives of capital assets.

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

*Budgetary Information*

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the City Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level.

These budgets are prepared on the non-GAAP budgetary basis. Budgeted expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The Housing Department budgets exclude depreciation expenses and include capital asset additions as capital outlay expenditures.

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

*Budgetary Information (continued)*

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

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2011 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual fund budgetary statement.

**NOTE 3. Deposits & Investments**

**Cash & Cash Equivalents**

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 I 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. Additionally, from December 31, 2010 through December 31, 2012, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) are fully guaranteed, regardless of dollar amount. Also included in this program are low-interest NOW accounts that cannot earn more than 0.5% interest. Some of the City's accounts with balances greater than \$250,000 are covered through the FDIC.



**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 3. Cash & 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.

	Citizen's Bank	Wells Fargo Bank	1st National Bank	New Mexico Bank & Trust	Everyone's Credit Union	Tucumcari Federal Savings & Loan	Total
Total amounts of deposits*	\$ 2,044,868	\$ 2,678,355	\$ 571,725	\$ 168,657	\$ 71,334	\$ 61,649	\$ 5,596,588
FDIC Coverage	(500,000)	(772,741)	(309,026)	(168,657)	(71,334)	(61,649)	(1,883,407)
Total uninsured public funds	<u>\$ 1,544,868</u>	<u>\$ 1,905,614</u>	<u>\$ 262,699</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,713,181</u>
Collateral requirement (50% of uninsured public funds)	772,434	952,807	131,350	—	—	—	1,856,591
Pledged collateral	(2,500,000)	(1,554,075)	(223,510)	—	—	—	(4,277,585)
Under (Over) collateralized	<u>\$ (1,727,566)</u>	<u>\$ (601,268)</u>	<u>\$ (92,160)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (2,420,994)</u>

\* - Total amount of deposits per bank includes deposit accounts and certificates of deposit.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2011, \$3,450,482 of \$5,596,588 was exposed to custodial credit risk because it was uninsured and the collateral was held by the pledging bank's trust department, in the City's name.

**Investments**

All investments are government securities whose fair market value approximates face value plus any accrued interest. The City had no investments that were highly sensitive to changes in interest rates. The City's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978)

As of June 30, 2011 the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		less than 1	1 to 5	6-10	More than 10
U.S. Treasury Money					
Market Mutual Funds	1,747,258	1,747,258	—	—	—
Total	<u>1,747,258</u>	<u>1,747,258</u>	<u>—</u>	<u>—</u>	<u>—</u>

**Interest rate risk - Investments.** The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. Currently the City's investments are held as reserve accounts for long term debt obligations.

**Credit risk - Investments.** The City's Investment Policy limits investments to those securities authorized by the laws of the State of New Mexico. As of June 30, 2011, the City's investments in U.S. Treasury Money Securities were rated AAA.

**Concentration of Credit risk - Investments.** For an investment, concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City has no policy which limit on the amount the City may invest in any one issuer, except to follow the applicable statute at Section 6-10-10 NMSA 1978 regarding allowable government investment. At June 30, 2011, the investments in the U.S. Treasury Money Market mutual Funds are 100% of the City's investment Portfolio.

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**NOTE 4. Receivables**

Receivables as of June 30, 2011, are as follows:

	General Fund	Gasoline Tax Fund	NMRDRC Grant Fund	Total Non-Major Funds	Total Governmental Funds
Property Taxes	\$ 11,146	\$ —	\$ —	\$ —	\$ 11,146
Other Taxes	250,314	128,332	—	91,434	470,080
Intergovernmental	29,904	—	658,628	—	688,532
Miscellaneous	403	—	—	34,596	34,999
Net Receivables	<u>\$ 291,767</u>	<u>\$ 128,332</u>	<u>\$ 658,628</u>	<u>\$ 126,030</u>	<u>\$ 1,204,757</u>

  

	Airport Fund	Joint Utility Fund	Solid Waste Fund	Housing Authority Fund	Total Enterprise Funds
Intergovernmental	\$ —	\$ —	\$ —	\$ 18,430	\$ 18,430
Other	455	58,252	11,893	7,569	70,600
Customers, Gross	—	475,527	59,996	2,959	546,051
Allowance	—	—	—	(7,654)	(7,654)
Net Receivables	<u>\$ 455</u>	<u>\$ 533,799</u>	<u>\$ 71,889</u>	<u>\$ 21,304</u>	<u>\$ 627,427</u>

In accordance with GASB #33, property tax receivables should be presented net of deferred revenues. The City is not able to present deferred revenue balances due to Quay County not being able to provide information needed.

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

Operating transfers made to close out funds and to supplement other funding sources, were as follows:

Net operating transfers made to close out funds, to supplement other funding sources, and to repay previous transfers were as follows:

Transfers from the General Fund to:	
Recreation Fund	\$ 218,752
EMS Fund	210,786
Convention Center Capital Improvements	125,821
Airport Fund	54,632
Debt Service	43,608
Corrections Fund	37,013
Fire/Emergency Management Fund	21,704
1/8% Economic Development Tax Fund	5,000
Total transfers from the General Fund	<u>\$ 717,316</u>
Transfers from the 1/8% Economic Development Tax Fund to:	
NMRDRC Fund	\$ 45,000
Airport Fund	11,250
Joint Utility Fund	7,500
Total transfers from the 1/8% Economic Development Tax Fund	<u>\$ 63,750</u>
Transfers from the Lodger's Tax Executive Fund to:	
Lodger's Tax Promotion Fund	\$ 229,979
Debt Service	171,394
Convention Center Operations & Maintenance Fund	32,812
Convention Center Capital Improvements Fund	21,720
Total transfers from the Lodger's Tax Executive Fund	<u>\$ 455,905</u>

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**NOTE 5. Interfund Receivables, Payables, and Transfers (continued)**

Transfers from the Lodger's Tax Promotion Fund to:	
Convention Center Operations & Maintenance Fund	\$ <u>166,275</u>
Total transfers from the Lodger's Tax Promotion Fund	\$ <u>166,275</u>
 Total Transfers	 \$ <u>1,403,246</u>

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2010 is as follows:

Major Funds	Due to Other Funds	Due from Other Funds
General Fund	\$ 26,465	\$ 105,491
Gasoline Tax Fund	73,337	—
1/8% Economic Development Tax Fund	—	128,332
NMRDRC Grant Fund	658,628	—
Joint Utility Fund	—	556,761
Nonmajor funds		
EMS Fund	<u>32,154</u>	<u>—</u>
Total	<u>\$ 790,584</u>	<u>\$ 790,584</u>

All interfund balances are short-term in nature.

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows.

<b>Capital Assets used in Governmental Activities:</b>	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not depreciated				
Land	\$ 2,237,228	\$ —	\$ —	\$ 2,237,228
Art	5,000	—	—	5,000
Construction in Progress	<u>325,700</u>	<u>1,638,508</u>	<u>—</u>	<u>1,964,208</u>
Total not being depreciated	<u>\$ 2,567,928</u>	<u>\$ 1,638,508</u>	<u>\$ —</u>	<u>\$ 4,206,436</u>
Capital assets being depreciated				
Buildings & Improvements	\$ 9,813,405	\$ 234,223	\$ —	\$ 10,047,628
Infrastructure	749,071	329,740	—	1,078,811
Machinery & equipment	1,436,945	262,726	—	1,699,671
Vehicles	<u>2,847,618</u>	<u>284,898</u>	<u>—</u>	<u>3,132,516</u>
Total being depreciated	<u>\$ 14,847,039</u>	<u>\$ 1,111,587</u>	<u>\$ —</u>	<u>\$ 15,958,626</u>
Total capital assets	<u>\$ 17,414,967</u>	<u>\$ 2,750,095</u>	<u>\$ —</u>	<u>\$ 20,165,062</u>

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

Less accumulated depreciation

Buildings & Improvements	\$ (6,351,756)	\$ (300,502)	\$ —	\$ 6,652,258
Infrastructure	(24,969)	(30,074)	—	55,043
Machinery & equipment	(1,042,490)	(144,199)	—	1,186,689
Vehicles	<u>(2,150,752)</u>	<u>(247,345)</u>	<u>—</u>	<u>2,398,097</u>
Total accumulated depreciation	<u>\$ (9,569,967)</u>	<u>\$ (722,120)</u>	<u>\$ —</u>	<u>\$ 10,292,087</u>
Net capital assets	<u>\$ 7,845,000</u>	<u>\$ 2,027,975</u>	<u>\$ —</u>	<u>\$ 9,872,975</u>

Depreciation expense for the year ended June 30, 2011 was charged to governmental activities as follows:

General Government	\$ 167,032
Public Safety	292,379
Public Works	44,168
Culture and Recreation	<u>218,541</u>
Total	<u>\$ 722,120</u>

<b>Capital Assets used in Business-Type Activities:</b>	Balance June 30, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Capital assets not depreciated					
Land	\$ 1,530,619	\$ —	—	\$ —	\$ 1,530,619
Construction in Progress	<u>8,911,165</u>	<u>1,550,951</u>	<u>—</u>	<u>(1,540,103)</u>	<u>8,922,013</u>
Total not being depreciated	<u>\$ 10,441,784</u>	<u>\$ 1,550,951</u>	<u>\$ —</u>	<u>\$ (1,540,103)</u>	<u>\$ 10,452,632</u>
Capital assets being depreciated					
Buildings & Improvements	\$ 21,566,851	\$ 48,270	\$ —	334,272	\$ 21,949,393
Infrastructure	3,070,287	5,243,857	—	1,167,793	9,481,937
Machinery & equipment	5,671,677	139,712	(9,792)	38,038	5,839,635
Vehicles	<u>1,117,200</u>	<u>75,578</u>	<u>—</u>	<u>—</u>	<u>1,192,778</u>
Total being depreciated	<u>\$ 31,426,015</u>	<u>\$ 5,507,417</u>	<u>\$ (9,792)</u>	<u>\$ 1,540,103</u>	<u>\$ 38,463,743</u>
Total capital assets	<u>\$ 41,867,799</u>	<u>\$ 7,058,368</u>	<u>\$ (9,792)</u>	<u>\$ —</u>	<u>\$ 48,916,375</u>
Less accumulated depreciation					
Buildings & Improvements	\$ (13,790,951)	\$ (405,656)	\$ —	—	\$ (14,196,607)
Infrastructure	(817,097)	(105,974)	—	—	(923,071)
Machinery & Equipment	(3,797,975)	(182,502)	9,792	—	(3,970,685)
Vehicles	<u>(911,610)</u>	<u>(101,189)</u>	<u>—</u>	<u>—</u>	<u>(1,012,799)</u>
Total accumulated depreciation	<u>\$ (19,317,633)</u>	<u>\$ (795,321)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (20,103,162)</u>
Net capital assets	<u>\$ 22,550,116</u>	<u>\$ 6,263,047</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28,813,213</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2011 was \$795,321.

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**NOTE 7. Long-term Debt**

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

<b>Governmental Activities</b>	Balance			Due Within	
	June 30, 2010	Additions	Deletions	June 30, 2010	One Year
Bonds payable	\$ 1,455,000	\$ —	\$ 105,000	\$ 1,350,000	\$ 110,000
Notes payable	1,084,865	—	83,133	1,001,732	84,030
Compensated Absences	<u>132,093</u>	<u>113,748</u>	<u>128,732</u>	<u>117,109</u>	<u>117,109</u>
<b>Total Long-Term Debt</b>	<b>\$ 2,671,958</b>	<b>\$ 113,748</b>	<b>\$ 316,865</b>	<b>\$ 2,468,841</b>	<b>\$ 311,139</b>

Interest expense paid on long-term debt for governmental activities totaled \$92,886 for the year ended June 30, 2011.

**Bonds**

At June 30, 2011, the City had the following bonds outstanding:

**Municipal Gross Receipts/Lodger's Tax Refunding and Improvement Revenue Bonds - Series 2002:**

\$1,120,000 serial bonds, due in annual installments through June 1, 2013, bearing interest from 4% to 4.4%. The balance is term bonds in the amount of \$1,125,000, due in annual installments through June 1, 2021, bearing interest at 4.625% through 4.75%. Beginning 2014, the bonds are subject to mandatory sinking fund redemption. The bonds are payable solely from one-half of the 3% occupancy tax pursuant to the Lodger's Tax Act and three-quarters of the revenues derived from the occupancy tax imposed by the City at a rate in excess of 3% and revenues derived from 1/4% of 1% municipal gross receipts tax imposed by the City. The bonds may be redeemed prior to maturity at par plus interest after June 1, 2010.

The annual requirements to amortize the Bonds as of June 30, 2011, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2012	\$ 110,000	\$ 62,535	\$ 172,535
2013	115,000	57,860	172,860
2014	120,000	52,800	172,800
2015	125,000	47,250	172,250
2016	130,000	41,469	171,469
2017-2021	<u>750,000</u>	<u>110,506</u>	<u>860,506</u>
<b>Total</b>	<b>\$ 1,350,000</b>	<b>\$ 372,420</b>	<b>\$ 1,722,420</b>

**Notes Payable**

The City entered into several loan agreements with the New Mexico Finance Authority as follows:

**NMFA Municipal Pool Improvement Loan**

Original principal amount \$265,470, to be paid in monthly installments beginning January 2007, bearing interest from 3.4% to 4.2%, plus an administrative fee of .25%. Payments made from the first 1/16% of 1% of Municipal Infrastructure Gross Receipts Tax. Loan agreement reserve account deposit of \$14,507.

**NMFA Fire Pumper Loan**

Dated July 24, 2009 in amount \$253,750. Annual principal payments and interest at 0.48% to 0.58% due November 1 and May 1, beginning November 1, 2010. Payments made from Fire Protection Fund Revenues distributed to the City of Tucumcari pursuant to Section 59A-53-7, NMSA 1978, which distributions are made annually by the State Treasurer.

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

**Notes Payable (continued)**

**NMFA Police Building and Improvement Loan**

Dated February 21, 2003 in amount \$735,744. Annual principal payments and interest at 1.39% to 4.96% plus an administrative fee of .25% due November 1 and May 1, beginning May 1, 2005. Payments made from 1/8% GRT adopted March 20, 1992. Mandatory reserve required in the amount of \$35,749.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 84,030	\$ 25,293	\$ 109,323
2013	84,154	24,253	108,407
2014	86,436	23,061	109,497
2015	87,864	21,723	109,587
2016	36,944	20,137	57,081
2017-2021	200,013	87,128	287,141
2022-2026	230,287	59,393	289,680
2027-2031	191,004	23,658	214,662
Total	<u>\$ 1,001,732</u>	<u>\$ 284,646</u>	<u>\$ 1,286,378</u>

**Business-Type Activities**

The Joint Utility fund has incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2011:

<b>Business-Type Activities</b>	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
Bonds Payable	\$ 2,678,094	\$ 2,188,000	\$ 59,650	\$ 4,806,444	\$ 62,460
Notes Payable	1,396,337	100,000	74,528	1,421,809	61,420
Landfill Closure & Post Closure	1,368,193	2,866,600	—	4,234,793	—
Compensated Absences	48,258	36,332	39,083	45,507	31,415
Total Long-Term Debt	<u>\$ 5,490,882</u>	<u>\$ 5,190,932</u>	<u>\$ 173,261</u>	<u>\$ 10,508,553</u>	<u>\$ 155,295</u>

Interest expense paid on long-term debt for business-type activities totaled \$207,461 for the year ended June 30, 2011.

**Bonds**

At June 30, 2011, the City had the following bonds outstanding:

**New Mexico Joint Utility System Improvement Revenue Bond - Series 2007A**

Water System Improvements bond original amount \$1,283,000 to be paid back over 40 years in annual installments beginning December 1, 2008 and ending December 1, 2048 with an interest rate of 4.25%. Reserve requirement at least one-tenth of one yearly payment per month.

**New Mexico Joint Utility System Improvement Revenue Bond - Series 2007B**

Water System Improvements bond original amount \$250,000 to be paid back over 40 years in annual installments beginning December 15, 2010 and ending December 15, 2050 with an interest rate of 4.25%. Reserve requirement at least one-tenth of one yearly payment per month.

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

**Bonds (continued)**

**New Mexico Joint Utility System Improvement Revenue Bond - Series 2005**

Water System Improvements bond original amount \$615, 200 to be paid back over 40 years in annual installments beginning December 15, 2008 and ending December 15, 2048 with an interest rate of 4.38%. Reserve requirement at least one-tenth of one yearly payment per month.

**New Mexico Joint Utility System Improvement Revenue Bond - Series 2008A**

Water System Improvements bond original amount \$546,486 to be paid back over 40 years in annual installments beginning December 15, 2010 and ending December 15, 2050 with an interest rate of 4.50%. Reserve requirement at least one-tenth of one yearly payment per month.

**USDA/RUS Joint Utility System Revenue Bonds – Series 2009**

During the year ended June 30, 2011, the City drew down the entire amount of a \$2,188,000 bond issued through the USDA used to finance further expansion and modernization of the wastewater system. The interest rate on this debt issuance is 2.75% and repayment began in the current year and is payable through March 24,2050.

The annual requirements to amortize the Bonds as of June 30, 2011, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2012	\$ 62,460	\$ 172,347	\$ 234,807
2013	64,290	170,025	234,315
2014	66,250	167,701	233,951
2015	69,250	165,406	234,656
2016	71,280	163,090	234,370
2017-2021	397,160	774,908	1,172,068
2022-2026	473,530	698,723	1,172,253
2027-2031	564,340	607,170	1,171,510
2032-2036	675,230	496,982	1,172,212
2037-2041	808,670	430,365	1,239,035
2042-2046	976,880	203,019	1,179,899
2047-2051	577,104	41,148	618,252
Total	<u>\$ 4,806,444</u>	<u>\$ 4,090,884</u>	<u>\$ 8,897,328</u>

**Notes Payable**

The City entered into several loan agreements with the New Mexico Finance Authority as follows:

**New Mexico Water Trust Board and the NMFA - Water Project #136**

NM Water Trust Board loan original amount \$50,480 to be paid back over 20 years in annual installments beginning February 1, 2010 and ending February 1, 2030 with no interest rate.

**New Mexico Water Trust Board and the NMFA - Water Project #96**

NM Water Trust Board loan original amount \$350,000 to be paid back over 20 years in annual installments beginning February 1, 2010 and ending February 1, 2030 with no interest rate.

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

**Notes Payable (continued)**

**New Mexico Environmental Department Construction Program Bureau Loan**

Two water wells, NMED loan RIP 2001-03 R, as amended, in the original amount of \$43,125 payable in annual installments of \$2,899 starting December 20, 2005 through December 20, 2023 with an interest rate of 3%.

**NMFA Drinking Water State Revolving Loan**

Drinking Water Program Loan in the original amount of \$483,617 payable from pledged revenues from the first increment of the City's Municipal Infrastructure Gross Receipts Tax imposed pursuant to Section 7-19D-11, NMSA 1978 and City Ordinance No. 843, adopted March 30, 1992. Interest rate is 0.862%. Pledged taxes are intercepted monthly from June 2001 through April 2002 at the rate of \$2,447 and then at \$2,262 through April 2021.

**Clean Water State Revolving Fund Loan # ARRA CWSRF 16**

On November 9, 2009, the City signed a loan agreement with the New Mexico Environment Department for a \$100,000 loan under the Clean Water State Revolving Loan Fund. The interest rate on this debt issuance is 0% and repayment will begin on September 23, 2011

**Rural Housing: FmHA Note Payable**

United States Department of Agriculture, assumption of multi-family housing note for the Chaparral Apartments in the amount of \$794,976 through the United States Department of Agriculture. Interest rate is 8.75% with monthly installments of \$5,973 from January 1, 2001 through January 1, 2034. The City receives a monthly subsidy credit of \$4,047 per the multifamily housing interest credit and rental assistance agreement, bringing the unsubsidized payment to \$1,926 per month. Subsidy budgets for Rural Housing Projects are approved and awarded by the FmHA for five year periods. At June 30, 2011, the budget had a remaining balance of approximately \$140,000. Loan and subsidy agreements require monthly contributions to a reserve account, which may only be used to ensure mortgage payments are made timely, or, with the permission of FmHA, make renovations or betterments to the units.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 61,420	\$ 64,393	\$ 125,813
2013	62,737	63,185	125,922
2014	64,151	61,882	126,033
2015	65,667	60,477	126,144
2016	67,438	58,821	126,259
2017-2021	358,332	267,524	625,856
2022-2026	281,498	209,292	490,790
2027-2031	295,378	127,319	422,697
2032-2036	165,188	19,971	185,159
Total	<u>\$ 1,421,809</u>	<u>\$ 932,864</u>	<u>\$ 2,354,673</u>

**Landfill Closure and Post-Closure Care Costs**

The City of Tucumcari is required by state and federal environment regulations to place a final cover over its sanitary landfill closure and to perform certain maintenance and monitoring functions of the landfill site for thirty years after closure. Generally accepted accounting principles applicable to governments require that an expense provision and a related liability be recorded to recognize the future closure and post-closure cost that will be incurred near or after the date the landfill stops accepting waste. Costs recognized during the fiscal year are based on the portion of the landfill used during the year.



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

**Landfill Closure and Post-Closure Care Costs (continued)**

Closure and post-closure costs are extended over a lengthy period. Because of changes in the regulation, the closure methods and procedures to be used, and the assumptions upon which the closure and post-closure costs are estimated, cost estimates are subject to change.

The liability for closure and post-closure care costs reflected in the Solid Waste fund of \$1,368,193 is an estimate of the remaining liability as of June 30, 2011 for closure and post-closure cost of the landfill currently in operation. At June 30, 2011, it was estimated that the City had utilized 99% of the landfill's total usable capacity. The City opened its new landfill during the year ended June 30, 2011. The closure and post-closure costs of the new landfill are estimated to be \$2,866,600. The total closure and post-closure costs for both landfills are estimated to be \$4,234,793.

**NOTE 8. 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 participates in the New Mexico Self-Insurer's Fund risk pool.

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

At June 30, 2011, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against City of Tucumcari.

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

**NOTE 9. 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:

There following funds maintained a deficit fund balance as of June 30, 2011:

<b>Major Funds</b>		
Gasoline Tax Special Revenue Fund	\$	81,619
NMRDRC Grant Capital Project Fund		568,900
<b>Total Major Funds</b>	<b>\$</b>	<b>650,519</b>
 <b>Nonmajor Funds</b>		
EMS Special Revenue Fund	\$	53,105
Golf Course Capital Improvements Capital Project Fund		36,910
<b>Total Nonmajor Funds</b>	<b>\$</b>	<b>90,015</b>

These funds have a deficit fund balance because expenditures were in excess of revenues and available cash and there were not sufficient transfers to cover the deficit. The City will monitor the budget and expenditures on a monthly basis to ensure effective budgeting control and accountability, and will make appropriate budget adjustments to alleviate the deficit fund balances.

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**NOTE 9. Other Required Individual Fund Disclosures (continued)**

B. Excess of expenditures over appropriations:

The following funds exceeded approved budgetary authority for the year ended June 30, 2011.

<b>Nonmajor Funds</b>	
Senior Citizen's Special Revenue Fund	\$ 1,283
Police Narcotics Special Revenue Fund	700
<b>Total Nonmajor Funds</b>	<b>\$ 1,983</b>

In the future the City plans to monitor its budget more closely and make necessary adjustments with approval from those charged with governance and The Department of Finance and Administration.

C. Designated cash appropriations exceeded prior year available balances:

There were no funds which exceeded designated cash appropriations for the year ended June 30, 2011.

**NOTE 10. PERA Pension Plan**

*Plan Description.* Substantially all of City of Tucumcari's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 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 the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees and 9.15% for municipal employees. The City is required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection employees and 9.15% for municipal employees. The contribution requirements of plan members and City of Tucumcari are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for years ending June 30, 2011, 2010 and 2009 were \$329,178, \$342,953, and \$315,018, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* City of Tucumcari 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 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.

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**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

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. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .833% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY12	1.834%	.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 2.084% of each participating employee’s annual salary, and each participating employee was required to contribute 1.042% of their annual salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for both employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are 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.

City of Tucumcari’s contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$53,178, \$40,622 and \$39,990, respectively, which equal the required contributions for each year.

**NOTE 12. Commitments**

The City had various construction and purchase commitments totaling approximately \$1,926,202 in the governmental funds for the Mainstreet project and \$5,150,880 on the Wastewater Treatment Plant in the Joint Utility Fund as of June 30, 2011. The funding to cover the various commitments was bond and/or note proceeds, including bonds and grants.

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 13. Contingent Liabilities**

The City is exposed to various claims and lawsuits in the normal course of business. Management and the City's manager 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 17 Subsequent Accounting Standard Pronouncements**

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

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**CITY OF TUCUMCARI**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 17 Subsequent Accounting Standard Pronouncements**

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.

**NOTE 18. Governmental Fund Balance**

**Fund Balance:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 18. Fund Balance (continued)**

	General Fund	Fire Districts Fund	Gasoline Tax Fund	1/8% Economic Development Tax Fund	NMRDRC Grant Fund	Other Governmental Funds
<b>Fund balances</b>						
Nonspendable						
Prepaid Items	\$ -	\$ -	\$ -	\$ 52,273	\$ -	\$ -
Restricted						
Capital Projects	-	-		447,069	89,728	11,287
Debt Service						236,415
Fire Departments		550,601				2,549
Roadways			46,713			-
Law Enforcement						46,645
Recreation						40,666
Emergency Services						1,260
Convention Center						39,921
Promotion						174,945
Education						1,057
Senior Citizens						24,619
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	1,155,127	-	-	-	-	(58,044)
<i>Total fund balances</i>	<u>\$1,155,127</u>	<u>\$ 550,601</u>	<u>\$ 46,713</u>	<u>\$ 499,342</u>	<u>\$ 89,728</u>	<u>\$ 521,320</u>

**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

Statement A-1

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<b>Assets</b>				
<i>Current:</i>				
Cash and cash equivalents	\$ 256,005	\$ 24,025	\$ 216,881	\$ 496,911
Short term investments	19,719	-	19,534	39,253
Accounts receivable				
Property taxes	-	-	-	-
Other taxes	91,434	-	-	91,434
Intergovernmental	-	-	-	-
Miscellaneous	31,971	2,625	-	34,596
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Interfund note receivable	-	-	-	-
<i>Total assets</i>	<u>\$ 399,129</u>	<u>\$ 26,650</u>	<u>\$ 236,415</u>	<u>\$ 662,194</u>
<b>Liabilities and fund balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ 10,845	\$ -	\$ -	\$ 10,845
Accrued payroll liabilities	43,626	-	-	43,626
Customer deposits payable	1,976	-	-	1,976
Other accrued liabilities	-	-	-	-
Interfund payable	32,154	-	-	32,154
Interfund note payable	-	52,273	-	52,273
Deferred revenue - property taxes	-	-	-	-
<i>Total liabilities</i>	<u>88,601</u>	<u>52,273</u>	<u>-</u>	<u>140,874</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	331,662	11,287	236,415	579,364
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(21,134)	(36,910)	-	(58,044)
<i>Total fund balances</i>	<u>310,528</u>	<u>(25,623)</u>	<u>236,415</u>	<u>521,320</u>
<i>Total liabilities and fund balances</i>	<u>\$ 399,129</u>	<u>\$ 26,650</u>	<u>\$ 236,415</u>	<u>\$ 662,194</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 TUCUMCARI

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	504,472	-	-	504,472
State and local sources	462,847	90,381	-	553,228
Federal sources	60,931	-	-	60,931
Licenses and fees	370,151	13,588	-	383,739
Charges for services	32,883	-	-	32,883
Investment income	50	-	585	635
Miscellaneous	71,405	-	-	71,405
<i>Total revenues</i>	<u>1,502,739</u>	<u>103,969</u>	<u>585</u>	<u>1,607,293</u>
<i>Expenditures:</i>				
Current				
General Government	114,111	-	2,021	116,132
Public safety	641,441	-	-	641,441
Culture and recreation	423,826	-	-	423,826
Health and welfare	479,691	-	-	479,691
Public works	-	-	-	-
Capital outlay	148,807	226,369	-	375,176
Debt service				
Principal	-	7,406	125,412	132,818
Interest	-	164	88,140	88,304
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,807,876</u>	<u>233,939</u>	<u>215,573</u>	<u>2,257,388</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(305,137)</u>	<u>(129,970)</u>	<u>(214,988)</u>	<u>(650,095)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	917,321	147,541	215,002	1,279,864
Operating transfers (out)	(622,180)	-	-	(622,180)
<i>Total other financing sources (uses)</i>	<u>295,141</u>	<u>147,541</u>	<u>215,002</u>	<u>657,684</u>
<i>Net change in fund balances</i>	(9,996)	17,571	14	7,589
<i>Fund balances - beginning of year</i>	<u>320,524</u>	<u>(43,194)</u>	<u>236,401</u>	<u>513,731</u>
<i>Fund balances - end of year</i>	<u>\$ 310,528</u>	<u>\$ (25,623)</u>	<u>\$ 236,415</u>	<u>\$ 521,320</u>

The accompanying notes are an integral part of these financial statements

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**NONMAJOR SPECIAL REVENUE FUNDS**

## NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the City with the purpose of accomplishing specific programs/objectives. Special Revenue Funds include:

### **Lodger's Tax Executive Fund**

To account for monies received through a specific tax levy on area motels and hotels. Expenditures, including transfers to its promotion fund, are strictly subject to state statute requirements and are further subject to bond ordinance requirements. This fund is authorized by 3-38-15 NMSA 1978.

### **Lodger's Tax Promotion Fund**

To account for the operation of promotional activity for the City of Tucumcari, mostly through payment to the Tucumcari Chamber of Commerce and other promotion oriented agencies. Financing is provided primarily by a specific tax levy on area motels and hotels. This fund is authorized by NMSA 3-38-15.

### **Fire/Emergency Management Fund (Incorrectly Listed as Judicial Fund in Prior Year)**

To account for funds provided by an Emergency Management Performance Grant and the County. The Program is for a comprehensive emergency preparedness system for all hazards via: planning, training, and exercises for emergency response. Authorized by FY2012 EMPG Program, Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

### **EMS Fund**

To account for the operations of the City's Emergency Medical Services Unit. The source of funding is the State of New Mexico Mental Health and Environment Department, Emergency Medical Services Bureau and charges for services. Expenditures are subject to approval of the state agency and the City Commission. This fund is authorized by NMSA 1978 24-10A-1.

### **Corrections Fund**

To account for the collection of fees and fines. Funds are expended on the incarceration of prisoners. This fund is authorized by 33-3-25 and 35-14-11 NMSA1978.

### **Recreation Fund**

To account for the operations of the City Recreation Department. Revenues are derived from a portion of the cigarette tax collected by the state and fees charged for recreational activities sponsored by the City. Expenditures are subject to City Council approval. This fund is authorized by 7-12-15 NMSA 1978.

### **Law Enforcement Grant Fund**

To account for the partial maintenance and development of the City's police force. Financing is provided by a grant from the State of New Mexico. Such revenue provided for the purchase and repairs of equipment as well as training of police personnel and may be used only for these purposes. This fund is authorized by 29-13-3 through 29-13-9 Chapter 289 Laws of 1983.

### **E-911 Grant Fund (Incorrectly Listed as Route 66 Grant Fund in Prior Year)**

To account for funds used to preserve the historic Route 66 which runs through the City of Tucumcari. This is a 3 year program funded by the State of New Mexico. This program funds comprehensive history training, research, and preservation of the historic Route 66. Authority for this fund was granted from the City Council and budget approval.

### **Traffic Safety Education and Enforcement Fund**

To account for monies received from an allocation of traffic fines. Funds are to be used by the local law enforcement agencies to purchase equipment and support services as are necessary to establish and promote a traffic safety program. This fund is authorized by NMSA 66-7-512.

### **Convention Center Operation and Maintenance Fund**

To account for monies received and expended for the operations and maintenance of the Convention Center. Additional funding comes from the Lodger's Tax Fund. This fund is authorized by NMSA 3-38-15.



## NONMAJOR SPECIAL REVENUE FUNDS

### **John D. Hoffman Endowment**

To account for monies received from the John D. Endowment to aid in research of materials science and engineering. Authority for this fund was granted from the City Council and budget approval. Police Narcotics Fund  
To account for monies collected as a result of police raids and other gatherings of evidence. Authority for this fund was granted from the City Council and budget approval.

### **Police Narcotics Fund**

This fund is a contingency fund for drug enforcement used to purchase equipment and confidential enforcement. Generally funded by drug enforcement recovery. Authority for the fund is the "Forfeiture Act", 31-27-1 to 31-27-8 NMSA 1978.

### **Senior Citizen's Center Fund**

To account for a portion of the operations of the City's Senior Citizens Center. The sales of ceramics, fees, and dues are accounted for in this fund and a portion of the operating expenses. Authority for this fund was granted from the City Council and budget approval.

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**CITY OF TUCUMCARI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2011**

	Lodger's Tax Executive Fund	Lodger's Tax Promotion Fund
<b>ASSETS</b>		
Current:		
Cash and cash equivalents	\$ 77,231	\$ 6,280
Short term investments	-	-
Accounts receivable		
Property taxes	-	-
Other taxes	91,434	-
Intergovernmental	-	-
Other receivables	-	-
Interfund balances	-	-
Prepaid expenses	-	-
	\$ 168,665	\$ 6,280
<i>Total current assets</i>		
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Current Liabilities:</i>		
Accounts payable	\$ -	\$ -
Accrued payroll liabilities	-	-
Customer deposits payable	-	-
Other accrued liabilities	-	-
Interfund balances	-	-
Deferred revenue	-	-
Deferred revenue - property taxes	-	-
	-	-
<i>Total current liabilities</i>		
 <i>Fund balance:</i>		
Nonspendable	-	-
Restricted	168,665	6,280
Committed	-	-
Assigned	-	-
Unassigned	-	-
	168,665	6,280
<i>Total fund balance</i>		
<i>Total liabilities and fund balance</i>	\$ 168,665	\$ 6,280

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

Fire/Emergency Management Fund	EMS Fund	Corrections Fund	Recreation Fund	Law Enforcement Grant Fund
\$ 5,256	\$ -	\$ 1,862	\$ 35,074	\$ -
-	-	-	19,719	-
-	-	-	-	-
-	-	-	-	-
-	31,971	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,256</u>	<u>\$ 31,971</u>	<u>\$ 1,862</u>	<u>\$ 54,793</u>	<u>\$ -</u>
\$ -	\$ 178	\$ -	\$ 6,460	\$ -
2,707	20,773	-	7,667	-
-	-	-	-	-
-	-	-	-	-
-	32,154	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,707</u>	<u>53,105</u>	<u>-</u>	<u>14,127</u>	<u>-</u>
-	-	-	-	-
2,549	-	1,862	40,666	-
-	-	-	-	-
-	-	-	-	-
-	(21,134)	-	-	-
<u>2,549</u>	<u>(21,134)</u>	<u>1,862</u>	<u>40,666</u>	<u>-</u>
<u>\$ 5,256</u>	<u>\$ 31,971</u>	<u>\$ 1,862</u>	<u>\$ 54,793</u>	<u>\$ -</u>

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2421**

	E-911 Fund	Traffic Safety Education and Enforcement Fund	Convention Center Operation and Maintenance Fund
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 1,260	\$ 1,153	\$ 47,602
Short term investments	-	-	-
Accounts receivable			
Property taxes	-	-	-
Property taxes	-	-	-
Intergovernmental	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
	<u>\$ 1,260</u>	<u>\$ 1,153</u>	<u>\$ 47,602</u>
<i>Total current assets</i>	<u>\$ 1,260</u>	<u>\$ 1,153</u>	<u>\$ 47,602</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Current Liabilities:			
Accounts payable	\$ -	\$ -	\$ 3,370
Accrued payroll liabilities	-	-	2,335
Customer deposits payable	-	-	1,976
Other accrued liabilities	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>7,681</u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>7,681</u>
Fund balance:			
Nonspendable	-	-	-
Restricted	1,260	1,153	39,921
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>1,260</u>	<u>1,153</u>	<u>39,921</u>
<i>Total fund balance</i>	<u>1,260</u>	<u>1,153</u>	<u>39,921</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,260</u>	<u>\$ 1,153</u>	<u>\$ 47,602</u>

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

John D. Hoffman Fund	Police Narcotics Fund	Senior Citizen's Center Fund	Total
\$ 1,057	\$ 43,630	\$ 35,600	\$ 256,005
-	-	-	19,719
-	-	-	-
-	-	-	91,434
-	-	-	-
-	-	-	31,971
-	-	-	-
-	-	-	-
<u>\$ 1,057</u>	<u>\$ 43,630</u>	<u>\$ 35,600</u>	<u>\$ 399,129</u>
\$ -	\$ -	\$ 837	\$ 10,845
-	-	10,144	43,626
-	-	-	1,976
-	-	-	-
-	-	-	32,154
-	-	-	-
-	-	-	-
-	-	10,981	88,601
-	-	-	-
1,057	43,630	24,619	331,662
-	-	-	-
-	-	-	-
-	-	-	(21,134)
<u>1,057</u>	<u>43,630</u>	<u>24,619</u>	<u>310,528</u>
<u>\$ 1,057</u>	<u>\$ 43,630</u>	<u>\$ 35,600</u>	<u>\$ 399,129</u>

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Lodger's Tax Executive Fund</u>	<u>Lodger's Tax Promotion Fund</u>
<i>Revenues:</i>		
Property taxes	\$ -	\$ -
Gross receipts taxes	-	-
Other taxes	503,102	-
State grants	-	1,518
Federal grants	-	-
Licenses and fees	557	-
Charges for services	-	-
Investment income	-	-
Miscellaneous	-	-
<i>Total revenues</i>	<u>503,659</u>	<u>1,518</u>
<i>Expenditures:</i>		
Current		
General Government	10,999	103,112
Public safety	-	-
Culture and recreation	-	-
Health and welfare	-	-
Public works	-	-
Capital outlay	-	-
Debt service		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	<u>10,999</u>	<u>103,112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>492,660</u>	<u>(101,594)</u>
<i>Other financing sources (uses):</i>		
Proceeds from note payable	-	-
Operating transfers in	-	229,979
Operating transfers (out)	(455,905)	(166,275)
<i>Total other financing sources (uses)</i>	<u>(455,905)</u>	<u>63,704</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	36,755	(37,890)
<i>Fund balances - beginning of year</i>	<u>131,910</u>	<u>44,170</u>
<i>Fund balances - end of year</i>	<u>\$ 168,665</u>	<u>\$ 6,280</u>

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

Fire/Emergency Management Fund	EMS Fund	Corrections Fund	Recreation Fund	Law Enforcement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	1,370	-
20,630	78,715	-	-	-
-	-	-	-	-
-	336,288	16,987	16,319	-
-	-	-	-	-
-	-	-	-	-
11,000	-	-	2,000	-
<u>31,630</u>	<u>415,003</u>	<u>16,987</u>	<u>19,689</u>	<u>-</u>
-	-	-	-	-
55,667	501,202	53,143	-	7,104
-	-	-	209,788	-
-	-	-	-	-
-	97,030	-	-	22,496
-	-	-	-	-
-	-	-	-	-
<u>55,667</u>	<u>598,232</u>	<u>53,143</u>	<u>209,788</u>	<u>29,600</u>
<u>(24,037)</u>	<u>(183,229)</u>	<u>(36,156)</u>	<u>(190,099)</u>	<u>(29,600)</u>
-	-	-	-	-
21,704	210,786	37,013	218,752	-
-	-	-	-	-
<u>21,704</u>	<u>210,786</u>	<u>37,013</u>	<u>218,752</u>	<u>-</u>
(2,333)	27,557	857	28,653	(29,600)
<u>4,882</u>	<u>(48,691)</u>	<u>1,005</u>	<u>12,013</u>	<u>29,600</u>
<u>\$ 2,549</u>	<u>\$ (21,134)</u>	<u>\$ 1,862</u>	<u>\$ 40,666</u>	<u>\$ -</u>

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

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	E-911 Fund	Traffic Safety Education and Enforcement Fund	Convention Center Operation and Maintenance Fund
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-
Other taxes	-	-	-
State grants	549	-	-
Federal grants	-	-	-
Licenses and fees	-	-	-
Charges for services	-	24	32,859
Investment income	-	-	-
Miscellaneous	-	-	1,668
<i>Total revenues</i>	<u>549</u>	<u>24</u>	<u>34,527</u>
<i>Expenditures:</i>			
Current			
General Government	-	-	-
Public safety	549	-	-
Culture and recreation	-	-	214,038
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>549</u>	<u>-</u>	<u>214,038</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>24</u>	<u>(179,511)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in (out)	-	-	199,087
Operating transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>199,087</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>24</u>	<u>19,576</u>
<i>Fund balances - beginning of year</i>	<u>1,260</u>	<u>1,129</u>	<u>20,345</u>
<i>Fund balances - end of year</i>	<u>\$ 1,260</u>	<u>\$ 1,153</u>	<u>\$ 39,921</u>

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



John D. Hoffman Fund	Police Narcotics Fund	Senior Citizens Fund	Total
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	504,472
-	60,440	300,995	462,847
-	-	60,931	60,931
-	-	-	370,151
-	-	-	32,883
1	49	-	50
-	-	56,737	71,405
<u>1</u>	<u>60,489</u>	<u>418,663</u>	<u>1,502,739</u>
-	-	-	114,111
-	23,776	-	641,441
-	-	-	423,826
-	-	479,691	479,691
-	-	-	-
-	29,281	-	148,807
-	-	-	-
-	-	-	-
<u>-</u>	<u>53,057</u>	<u>479,691</u>	<u>1,807,876</u>
<u>1</u>	<u>7,432</u>	<u>(61,028)</u>	<u>(305,137)</u>
-	-	-	-
-	-	-	917,321
-	-	-	(622,180)
<u>-</u>	<u>-</u>	<u>-</u>	<u>295,141</u>
1	7,432	(61,028)	(9,996)
<u>1,056</u>	<u>36,198</u>	<u>85,647</u>	<u>320,524</u>
<u>\$ 1,057</u>	<u>\$ 43,630</u>	<u>\$ 24,619</u>	<u>\$ 310,528</u>

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

## STATE OF NEW MEXICO

Statement B-3

## CITY OF TUCUMCARI

LODGER'S TAX EXECUTIVE SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 450,000	\$ 450,000	\$ 459,958	\$ 9,958
Intergovernmental	-	-	-	-
Licenses and fees	1,300	1,300	557	(743)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>451,300</u>	<u>451,300</u>	<u>460,515</u>	<u>9,215</u>
<i>Expenditures:</i>				
Current				
General Government	13,500	16,996	15,995	1,001
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>13,500</u>	<u>16,996</u>	<u>15,995</u>	<u>1,001</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>437,800</u>	<u>434,304</u>	<u>444,520</u>	<u>10,216</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(450,925)	(455,904)	(455,905)	(1)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	13,125	21,600	-	(21,600)
<i>Total other financing sources (uses)</i>	<u>(437,800)</u>	<u>(434,304)</u>	<u>(455,905)</u>	<u>(21,601)</u>
<i>Net change in fund balances</i>	-	-	(11,385)	(11,385)
<i>Fund balances - beginning of year</i>	-	-	88,616	88,616
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,231</u>	<u>\$ 77,231</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			43,144	
Expenditure accruals			4,996	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 36,755</u>	

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

## STATE OF NEW MEXICO

Statement B-4

## CITY OF TUCUMCARI

LODGER'S TAX PROMOTION SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,300	8,800	8,800	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>14,300</u>	<u>8,800</u>	<u>8,800</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	73,025	103,113	103,112	1
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>73,025</u>	<u>103,113</u>	<u>103,112</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(58,725)</u>	<u>(94,313)</u>	<u>(94,312)</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	225,000	229,979	229,979	-
Operating transfers (out)	(166,275)	(166,275)	(166,275)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	30,609	-	(30,609)
<i>Total other financing sources (uses)</i>	<u>58,725</u>	<u>94,313</u>	<u>63,704</u>	<u>(30,609)</u>
<i>Net change in fund balances</i>	-	-	(30,608)	(30,608)
<i>Fund balances - beginning of year</i>	-	-	36,888	36,888
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,280</u>	<u>\$ 6,280</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,282)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (37,890)</u>	

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

## STATE OF NEW MEXICO

Statement B-5

## CITY OF TUCUMCARI

FIRE/EMERGENCY MANAGEMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2421

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,000	20,629	20,630	1
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	11,000	11,000	11,000	-
<i>Total revenues</i>	<u>35,000</u>	<u>31,629</u>	<u>31,630</u>	<u>1</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	56,704	56,704	52,960	3,744
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>56,704</u>	<u>56,704</u>	<u>52,960</u>	<u>3,744</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,704)</u>	<u>(25,075)</u>	<u>(21,330)</u>	<u>3,745</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	21,704	21,704	21,704	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	3,371	-	(3,371)
<i>Total other financing sources (uses)</i>	<u>21,704</u>	<u>25,075</u>	<u>21,704</u>	<u>(3,371)</u>
<i>Net change in fund balances</i>	-	-	374	374
<i>Fund balances - beginning of year</i>	-	-	4,882	4,882
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,256</u>	<u>\$ 5,256</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(2,707)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,333)</u>	

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

## STATE OF NEW MEXICO

Statement B-6

## CITY OF TUCUMCARI

## EMS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	99,752	90,606	90,606	-
Licenses and fees	440,000	336,288	304,317	(31,971)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>539,752</u>	<u>426,894</u>	<u>394,923</u>	<u>(31,971)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	525,538	517,181	499,702	17,479
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	100,000	97,030	97,030	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>625,538</u>	<u>614,211</u>	<u>596,732</u>	<u>17,479</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(85,786)</u>	<u>(187,317)</u>	<u>(201,809)</u>	<u>(14,492)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	85,786	210,786	210,786	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(23,469)	-	23,469
<i>Total other financing sources (uses)</i>	<u>85,786</u>	<u>187,317</u>	<u>210,786</u>	<u>23,469</u>
<i>Net change in fund balances</i>	-	-	8,977	8,977
<i>Fund balances - beginning of year</i>	-	-	(41,131)	(41,131)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,154)</u>	<u>\$ (32,154)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			20,080	
Expenditure accruals			(1,500)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 27,557</u>	

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

## STATE OF NEW MEXICO

Statement B-7

## CITY OF TUCUMCARI

## CORRECTION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	19,500	19,500	16,987	(2,513)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,500</u>	<u>19,500</u>	<u>16,987</u>	<u>(2,513)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	54,150	54,150	54,000	150
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>54,150</u>	<u>54,150</u>	<u>54,000</u>	<u>150</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(34,650)</u>	<u>(34,650)</u>	<u>(37,013)</u>	<u>(2,363)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	34,650	37,013	37,013	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(2,363)	-	2,363
<i>Total other financing sources (uses)</i>	<u>34,650</u>	<u>34,650</u>	<u>37,013</u>	<u>2,363</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,862	1,862
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,862</u>	<u>\$ 1,862</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			857	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 857</u>	

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

## STATE OF NEW MEXICO

Statement B-8

## CITY OF TUCUMCARI

## RECREATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 1,369	\$ 1,370	\$ 1
Intergovernmental	0	-	0	-
Licenses and fees	23,100	23,100	16,319	(6,781)
Charges for services	-	-	-	-
Investment income	50	50	-	(50)
Miscellaneous	3,000	3,000	2,000	(1,000)
<i>Total revenues</i>	<u>26,150</u>	<u>27,519</u>	<u>19,689</u>	<u>(7,830)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	244,902	240,902	207,500	33,402
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>244,902</u>	<u>240,902</u>	<u>207,500</u>	<u>33,402</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(218,752)</u>	<u>(213,383)</u>	<u>(187,811)</u>	<u>25,572</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	218,752	218,752	218,752	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(5,369)	-	5,369
<i>Total other financing sources (uses)</i>	<u>218,752</u>	<u>213,383</u>	<u>218,752</u>	<u>5,369</u>
<i>Net change in fund balances</i>	-	-	30,941	30,941
<i>Fund balances - beginning of year</i>	-	-	23,852	23,852
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,793</u>	<u>\$ 54,793</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(2,288)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 28,653</u>	

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

## STATE OF NEW MEXICO

Statement B-9

## CITY OF TUCUMCARI

## LAW ENFORCEMENT GRANT SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	29,600	29,600	29,600	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29,600</u>	<u>29,600</u>	<u>29,600</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	7,104	7,104	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	29,600	22,496	22,496	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>29,600</u>	<u>29,600</u>	<u>29,600</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(29,600)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (29,600)</u>	

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



## STATE OF NEW MEXICO

Statement B-10

## CITY OF TUCUMCARI

## E-911 SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	380,313	549	549	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>380,313</u>	<u>549</u>	<u>549</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	380,313	549	549	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>380,313</u>	<u>549</u>	<u>549</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,260	1,260
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ 1,260</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

## CITY OF TUCUMCARI

TRAFFIC SAFETY EDUCATION AND ENFORCEMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	25	25	24	(1)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25</u>	<u>25</u>	<u>24</u>	<u>(1)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	25	25	-	25
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	24	24
<i>Fund balances - beginning of year</i>	-	-	1,129	1,129
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153</u>	<u>\$ 1,153</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 24</u>	

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

## STATE OF NEW MEXICO

Statement B-12

## CITY OF TUCUMCARI

## CONVENTION CENTER OPERATION AND MAINTENANCE SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	40,500	40,000	32,859	(7,141)
Investment income	-	-	-	-
Miscellaneous	-	1,500	1,668	168
<i>Total revenues</i>	<u>40,500</u>	<u>41,500</u>	<u>34,527</u>	<u>(6,973)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	239,587	238,088	210,523	27,565
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>239,587</u>	<u>238,088</u>	<u>210,523</u>	<u>27,565</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(199,087)</u>	<u>(196,588)</u>	<u>(175,996)</u>	<u>20,592</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	199,087	199,087	199,087	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(2,499)	-	2,499
<i>Total other financing sources (uses)</i>	<u>199,087</u>	<u>196,588</u>	<u>199,087</u>	<u>2,499</u>
<i>Net change in fund balances</i>	-	-	23,091	23,091
<i>Fund balances - beginning of year</i>	-	-	24,511	24,511
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,602</u>	<u>\$ 47,602</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(3,515)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 19,576</u>	

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

## STATE OF NEW MEXICO

Statement B-13

## CITY OF TUCUMCARI

## JOHN D. HOFFMAN SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	2	2	1	(1)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	60	60	-	60
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>60</u>	<u>60</u>	<u>-</u>	<u>60</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(58)</u>	<u>(58)</u>	<u>1</u>	<u>59</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	58	58	-	(58)
<i>Total other financing sources (uses)</i>	<u>58</u>	<u>58</u>	<u>-</u>	<u>(58)</u>
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	1,056	1,056
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057</u>	<u>\$ 1,057</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1</u>	

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

## CITY OF TUCUMCARI

## POLICE NARCOTICS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	60,440	60,440	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	49	49	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,489</u>	<u>60,489</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	4,500	23,776	23,776	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	29,281	29,281	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,500</u>	<u>53,057</u>	<u>53,057</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,500)</u>	<u>7,432</u>	<u>7,432</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	4,500	(7,432)	-	7,432
<i>Total other financing sources (uses)</i>	<u>4,500</u>	<u>(7,432)</u>	<u>-</u>	<u>7,432</u>
<i>Net change in fund balances</i>	-	-	7,432	7,432
<i>Fund balances - beginning of year</i>	-	-	36,198	36,198
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,630</u>	<u>\$ 43,630</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 7,432</u>	

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

## STATE OF NEW MEXICO

Statement B-15

## CITY OF TUCUMCARI

## SENIOR CITIZENS' CENTER SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	381,267	421,150	410,396	(10,754)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	56,715	60,355	71,737	11,382
<i>Total revenues</i>	<u>437,982</u>	<u>481,505</u>	<u>482,133</u>	<u>628</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	437,982	479,528	488,311	(8,783)
Public works	-	-	-	-
Capital outlay	-	7,500	-	7,500
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>437,982</u>	<u>487,028</u>	<u>488,311</u>	<u>(1,283)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(5,523)</u>	<u>(6,178)</u>	<u>(655)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	5,523	-	(5,523)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>5,523</u>	<u>-</u>	<u>(5,523)</u>
<i>Net change in fund balances</i>	-	-	(6,178)	(6,178)
<i>Fund balances - beginning of year</i>	-	-	41,778	41,778
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,600</u>	<u>\$ 35,600</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(63,470)	
Expenditure accruals			8,620	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (61,028)</u>	

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

**NONMAJOR CAPITAL PROJECT FUNDS**

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## NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the acquisition of fixed assets or construction of major capital projects. These funds are funded by specific grants, taxes, and/or bond proceeds. Capital Projects Funds include:

### **Lodger's Tax Acquisition Project**

This fund is to account for the expenditure of the proceeds of the Municipal Gross Receipts and Lodger's Tax Refunding and Improvement Revenue Bonds, Series 2002 pursuant to Sections 3-31-1C and 3-31-4A, NMSA 1978.

### **Convention Center Capital Improvements Project**

This fund is required by the Lodger's Tax Improvement Bonds Ordinance. The City is required to transfer 5% of annual pledged Lodger's Tax Revenues to this fund until \$200,000 is accumulated. This fund may only be used for improving or bettering the convention center facility. Authority for this fund was granted from the City Council and budget approval.

### **Golf Course Capital Improvement Project**

This project is for improvement of the City's municipal golf course. Funding is primarily from rentals of golf cart sheds. Authority for this fund was granted from the City Council and budget approval.

### **State Appropriations Project**

This project is for the design of a public safety building. Funding is from severance taxes. Authority for this fund was granted from the City Council and budget approval.

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2011**

Statement C-1

	<u>Lodger's Tax Acquisition</u>	<u>Convention Center Capital Improvements</u>	<u>Golf Course Capital Improvements</u>	<u>Total</u>
<b>ASSETS</b>				
<i>Current:</i>				
Cash and cash equivalents	\$ 946	\$ 10,341	\$ 12,738	\$ 24,025
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	2,625	2,625
Interfund balances	-	-	-	-
<i>Total current assets</i>	<u>\$ 946</u>	<u>\$ 10,341</u>	<u>\$ 15,363</u>	<u>\$ 26,650</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	52,273	52,273
Interfund balances	-	-	-	-
Deferred revenue	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>52,273</u>	<u>52,273</u>
<i>Fund balance:</i>				
Nonspendable	-	-	-	-
Restricted	946	10,341	-	11,287
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(36,910)	(36,910)
<i>Total fund balance</i>	<u>946</u>	<u>10,341</u>	<u>(36,910)</u>	<u>(25,623)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 946</u>	<u>\$ 10,341</u>	<u>\$ 15,363</u>	<u>\$ 26,650</u>

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

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Statement C-2

	Lodger's Tax Acquisition	Convention Center Capital Improvements	Golf Course Capital Improvements	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	90,381	-	90,381
Federal grants	-	-	-	-
Licenses and fees	-	-	13,588	13,588
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>90,381</u>	<u>13,588</u>	<u>103,969</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	(19,135)	237,922	7,582	226,369
Debt service				
Principal	-	-	7,406	7,406
Interest	-	-	164	164
<i>Total expenditures</i>	<u>(19,135)</u>	<u>237,922</u>	<u>15,152</u>	<u>233,939</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>19,135</u>	<u>(147,541)</u>	<u>(1,564)</u>	<u>(129,970)</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond/note	-	-	-	-
Operating transfers in	-	147,541	-	147,541
Operating transfers(out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>147,541</u>	<u>-</u>	<u>147,541</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	19,135	-	(1,564)	17,571
<i>Fund balances - beginning of year</i>	<u>(18,189)</u>	<u>10,341</u>	<u>(35,346)</u>	<u>(43,194)</u>
<i>Fund balances - end of year</i>	<u>\$ 946</u>	<u>\$ 10,341</u>	<u>\$ (36,910)</u>	<u>\$ (25,623)</u>

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

## STATE OF NEW MEXICO

Statement C-3

## CITY OF TUCUMCARI

## NMRDRC GRANT CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,068,967	1,627,565	1,018,937	(608,628)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,068,967</u>	<u>1,627,565</u>	<u>1,018,937</u>	<u>(608,628)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	45,000	-	45,000
Capital outlay	2,007,420	1,617,488	1,617,488	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,007,420</u>	<u>1,662,488</u>	<u>1,617,488</u>	<u>45,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>61,547</u>	<u>(34,923)</u>	<u>(598,551)</u>	<u>(563,628)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	45,000	45,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(61,547)	(10,077)	-	10,077
<i>Total other financing sources (uses)</i>	<u>(61,547)</u>	<u>34,923</u>	<u>45,000</u>	<u>10,077</u>
<i>Net change in fund balances</i>	-	-	(553,551)	(553,551)
<i>Fund balances - beginning of year</i>	-	-	37,805	37,805
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (515,746)</u>	<u>\$ (515,746)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			658,628	
Expenditure accruals			(6,941)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 98,136</u>	

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

## STATE OF NEW MEXICO

Statement C-4

## CITY OF TUCUMCARI

LODGER'S TAX ACQUISITION CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	946	946
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 946	\$ 946
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			19,135	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 19,135	

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

## STATE OF NEW MEXICO

Statement C-5

## CITY OF TUCUMCARI

CONVENTION CENTER IMPROVEMENT CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	52,500	89,391	90,381	990
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,500</u>	<u>89,391</u>	<u>90,381</u>	<u>990</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	74,220	237,922	237,922	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>74,220</u>	<u>237,922</u>	<u>237,922</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,720)</u>	<u>(148,531)</u>	<u>(147,541)</u>	<u>990</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	21,720	147,541	147,541	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	990	-	(990)
<i>Total other financing sources (uses)</i>	<u>21,720</u>	<u>148,531</u>	<u>147,541</u>	<u>(990)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	10,341	10,341
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,341</u>	<u>\$ 10,341</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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



## STATE OF NEW MEXICO

Statement C-6

## CITY OF TUCUMCARI

## GOLF COURSE IMPROVEMENT CAPITAL PROJECT FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	12,600	14,350	14,875	525
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>12,600</u>	<u>14,350</u>	<u>14,875</u>	<u>525</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	5,030	6,882	7,582	(700)
Debt service				
Principal	7,406	7,406	7,406	-
Interest	164	164	164	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>12,600</u>	<u>14,452</u>	<u>15,152</u>	<u>(700)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(102)</u>	<u>(277)</u>	<u>(175)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	102	-	(102)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>102</u>	<u>-</u>	<u>(102)</u>
<i>Net change in fund balances</i>	-	-	(277)	(277)
<i>Fund balances - beginning of year</i>	-	-	13,015	13,015
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,738</u>	<u>\$ 12,738</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(1,287)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,564)</u>	

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

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**NONMAJOR DEBT SERVICE FUNDS**

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## **Nonmajor Debt Service Funds**

The Debt Service Funds are used to account for the debt service of general long-term debt. These funds are funded by specific revenues or taxes pledged to each bond. Debt Service Funds include:

### **Lodger's Tax / GRT Series 2002 Fund**

To accumulate the Lodger's Tax revenues of the City pledged to service the issue and to account for the retirement of the principal and interest of the issue. The proceeds from this issue were used to defray the cost of refunding, paying, discharging, and liquidation of the City of Tucumcari, New Mexico Municipal Gross Receipts/ Lodger's Tax Improvement Revenue Bonds, Series 1993; the cost of purchasing, constructing, otherwise acquiring, reconstructing, extending, improving, equipping or furnishing tourist-related facilities, including the City's convention center and related buildings; and providing for the issuance, sale and payment of the bond.

### **GRT Police Building Fund**

To accumulate the intercepted Gross Receipts Tax (GRT) used to service the issue and to account for the retirement of the principal and interest of the issue as well as account for the required debt service reserve in the amount of \$35,744. The proceeds from this issue are being used for the construction of a new Tucumcari Police Department Building. The intercepted GRT funds are from the distribution of the revenues of the third one-sixteenth of one percent increment of Municipal Infrastructure Gross Receipts Tax, enacted pursuant to Section 7-19D-11 and City of Tucumcari Ordinance No. 843, adopted by the City of Tucumcari on March 30, 1992, as amended by Ordinance No. 970, adopted by the City on October 24, 2002, which distributions are made monthly by the New Mexico Taxation and Revenue Department.

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2011**

Statement D-1

	<u>Lodger's Tax/ GRT Series 2002 Fund</u>	<u>GRT Police Building</u>	<u>Total</u>
<b>ASSETS</b>			
<i>Current:</i>			
Cash and cash equivalents	\$ 181,076	\$ 35,805	\$ 216,881
Short term investments	-	19,534	19,534
Accounts receivable			
Property taxes	-	-	-
Intergovernmental	-	-	-
Other receivables	-	-	-
Interfund balances	-	-	-
	<u>181,076</u>	<u>55,339</u>	<u>236,415</u>
<i>Total current assets</i>	<u>\$ 181,076</u>	<u>\$ 55,339</u>	<u>\$ 236,415</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<i>Current Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Interfund balances	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Fund balance:</i>			
Nonspendable	-	-	-
Restricted	181,076	55,339	236,415
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>181,076</u>	<u>55,339</u>	<u>236,415</u>
<i>Total fund balance</i>	<u>181,076</u>	<u>55,339</u>	<u>236,415</u>
	<u>\$ 181,076</u>	<u>\$ 55,339</u>	<u>\$ 236,415</u>
<i>Total liabilities and fund balance</i>	<u>\$ 181,076</u>	<u>\$ 55,339</u>	<u>\$ 236,415</u>

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

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Statement D-2

	Lodger's Tax/ GRT Series 2002 Fund	GRT Police Building	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-
Other taxes	-	-	-
State grants	-	-	-
Federal grants	-	-	-
Licenses and fees	-	-	-
Charges for services	-	-	-
Investment income	585	-	585
Miscellaneous	-	-	-
<i>Total revenues</i>	585	-	585
<i>Expenditures:</i>			
Current			
General Government	500	1,521	2,021
Public safety	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	105,000	20,412	125,412
Interest	66,892	21,248	88,140
<i>Total expenditures</i>	172,392	43,181	215,573
<i>Excess (deficiency) of revenues over expenditures</i>	(171,807)	(43,181)	(214,988)
<i>Other financing sources (uses):</i>			
Operating transfers in	171,394	43,608	215,002
Operating transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	171,394	43,608	215,002
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(413)	427	14
<i>Fund balances - beginning of year</i>	181,489	54,912	236,401
<i>Fund balances - end of year</i>	\$ 181,076	\$ 55,339	\$ 236,415

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

## STATE OF NEW MEXICO

Statement D-3

## CITY OF TUCUMCARI

LODGER'S TAX/ GRT SERIES 2002 DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	587	585	(2)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,000	587	585	(2)
<i>Expenditures:</i>				
Current				
General Government	500	500	500	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	105,000	105,000	105,000	-
Interest	66,893	66,893	66,892	1
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	172,393	172,393	172,392	1
<i>Excess (deficiency) of revenues over expenditures</i>	(171,393)	(171,806)	(171,807)	(1)
<i>Other financing sources (uses):</i>				
Operating transfers in	171,393	171,393	171,394	1
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	413	-	(413)
<i>Total other financing sources (uses)</i>	171,393	171,806	171,394	(412)
<i>Net change in fund balances</i>	-	-	(413)	(413)
<i>Fund balances - beginning of year</i>	-	-	181,489	181,489
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 181,076	\$ 181,076
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (413)	

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

## STATE OF NEW MEXICO

Statement D-4

## CITY OF TUCUMCARI

## GRT POLICE BUILDING DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	150	150	-	(150)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150</u>	<u>150</u>	<u>-</u>	<u>(150)</u>
<i>Expenditures:</i>				
Current				
General Government	1,522	1,522	1,521	1
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	20,412	20,412	20,412	-
Interest	21,249	21,249	21,248	1
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>43,183</u>	<u>43,183</u>	<u>43,181</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(43,033)</u>	<u>(43,033)</u>	<u>(43,181)</u>	<u>(148)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	43,608	43,608	43,608	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(575)	(575)	-	575
<i>Total other financing sources (uses)</i>	<u>43,033</u>	<u>43,033</u>	<u>43,608</u>	<u>575</u>
<i>Net change in fund balances</i>	-	-	427	427
<i>Fund balances - beginning of year</i>	-	-	54,912	54,912
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,339</u>	<u>\$ 55,339</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 427</u>	

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

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Security Description	CUSIP Number	Fair Market Value	Maturity Date	Name and Location of Safekeeper
<b>Wells Fargo</b>				
FG H00695, 5.500%	3126MS7G9	622,056	6/1/2037	Wells Fargo Bank Northwest, NA
FN 257004, 6.000%	31371NNV3	246,988	12/1/2037	Wells Fargo Bank Northwest, NA
FN 831472, 6.000%	31407HW93	60,016	5/1/2036	Wells Fargo Bank Northwest, NA
FN 880203, 6.000%	31409V3L5	120,752	2/1/2036	Wells Fargo Bank Northwest, NA
FN 888021, 6.000%	31410FSJ5	34,618	12/1/2036	Wells Fargo Bank Northwest, NA
FN 895631, 6.000%	31410SA80	381,269	5/1/2036	Wells Fargo Bank Northwest, NA
FN 960463, 6.000%	31414AQQ8	81,455	12/1/2037	Wells Fargo Bank Northwest, NA
FN 963560, 5.500%	31414D5V4	<u>6,921</u>	6/1/2038	Wells Fargo Bank Northwest, NA
<b>Total - Wells Fargo</b>		<u>\$ 1,554,075</u>		
<b>Citizens Bank</b>				
FNMA	31398ACS9	900,000	6/7/2022	Amarillo National Bank, Amarillo, TX
FHLB	3133XUMR1	<u>1,600,000</u>	9/12/2014	Amarillo National Bank, Amarillo, TX
<b>Total - Citizens Bank</b>		<u>\$ 2,500,000</u>		
<b>First National Bank</b>				
Dulce NM Indpt Sch Dist, 4.250%	264430H31	53,765	3/1/2018	FHLB, Dallas, TX
FHLMC Fixed Rate Note, 5.00%	3128X2TM7	<u>169,745</u>	1/30/2014	FHLB, Dallas, TX
<b>Total - First National Bank</b>		<u>\$ 223,510</u>		
	<b>Total</b>	<u><u>\$ 4,277,585</u></u>		

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF DEPOSITORES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Schedule II

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>	<u>Carrying Balance</u>
<b>Wells Fargo Bank</b>				
General Operating Account	Checking	\$ 1,439,303	\$ 308,891	\$ 1,130,412
EMS Account	Checking	47,927	2,456	45,471
1/8% Economic Development Infrastructure	Savings	78,244	-	78,244
CDBG Account	Checking	26,465	-	26,465
John D Hoffman Endowment Account	Savings	1,007	-	1,007
Seizure Account	Checking	22,296	-	22,296
Savings Account	Savings	2,519	-	2,519
Certificate of Deposit	CD	165,698	-	165,698
Housing-General Operating Fund	Checking	403,469	4,105	399,364
Housing-CIAP Savings Account	Savings	517	0	517
Housing-CIAP Operating Account	Checking	7,080	0	7,080
Housing-Section 8 Account	Checking	461,089	3596	457,493
Housing-Certificate of Deposit	CD	22,741	0	22,741
Housing-Operating Account-Chaparral Apartments	Checking	64,146	4288	59,858
<b>Citizens Bank</b>				
Bank Two	Checking	1,371,556	529,428	842,128
USDA Account	Checking	349,706	-	349,706
Sanitation Capital Improvement	Savings	263,606	-	263,606
Certificate of Deposit	CD	60,000	-	60,000
<b>First National Bank</b>				
Sanitation Department Account	Checking	40,397	7,553	32,844
Princess Theatre Account	Savings	4,546	-	4,546
Logan Meal Site Donations Account	Checking	4,363	-	4,363
Certificate of Deposit	CD	153,931	-	153,931
Certificate of Deposit	CD	154,207	-	154,207
Certificate of Deposit	CD	102,621	-	102,621
Certificate of Deposit	CD	101,940	-	101,940
Housing-Security Deposit Account	Checking	9,720	2,036	7,684
<b>New Mexico Bank &amp; Trust</b>				
Housing-Security Deposits-Chaparral Apartments	Checking	4,348	-	4,348
Housing-Reserve Account-Chaparral Apartments	Checking	104,251	-	104,251
<b>Everyone's Credit Union</b>				
Narcotics Account	Checking	21,334	-	21,334
Certificate of Deposit	CD	50,000	-	50,000
<b>Tucumcari Federal Savings &amp; Loan</b>				
Certificate of Deposit	CD	61,649	-	61,649

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF DEPOSITORES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Schedule II

**NMFA Bank**

4th & 5th Debt Service	Trust	9,295	-	9,295
PD Debt Service	Trust	19,672	-	19,672
PD Debt Service Reserve	Trust	35,749	-	35,749
Pool Debt Service	Trust	5,251	-	5,251
Pool Debt Service Reserve	Trust	14,507	-	14,507
Water Conversion Reuse Project	Trust	262,687	-	262,687
Water Conversion Reuse Project-Grant	Trust	1,400,000	-	1,400,000
Fire Pumper	Trust	97	-	97
		<u>7,347,934</u>	<u>-</u>	<u>7,347,934</u>
Total cash in bank		<u>\$ 7,347,934</u>	<u>\$ 862,353</u>	<u>\$ 6,485,581</u>
Petty Cash - Housing				<u>250</u>
Total Cash				<u><u>6,485,831</u></u>
Cash in Busines-Type Activities Per Ex A-1				4,042,266
Cash in Governmental Activities Per Ex A-1				2,443,565

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
City of Clovis, City of Texico, Village of Melrose, County of Quay, City of Tucumcari, City of Logan, Village of San Jon, County of DeBaca, City of Ft. Sumner, County of Roosevelt, City of Portales, Eastern New Mexico University, Village of Elida, Guadalupe County, City of Santa Rosa and Village of Vaughn, and New Mexico State Police	NM State Police	Establish a joint Multi Jurisdictional Task Force for the prevention, investigation, control and prosecution as unlawful drugs, narcotics and controlled substances within the region.
City of Tucumcari and Quay County Government	All Agencies	Establish the Tucumcari/Quay 911 Regional Emergency Communications Center
Quay County and City of Tucumcari	All Agencies	Housing of City Prisoners by Quay County Detention
Team Builders Counseling Services, Inc.	All Agencies	Requires City to provide Law Enforcement Overtime to conduct enforcement operations targeting underage drinking
City of Logan, Village of San Jon, City of Tucumcari, and Quay County	All Agencies	Establish the Quay County Gaming Authority in order to pursue the acquisition of a licence and ownership of a race track and casino to spur economic development in Ouav Countv
City of Tucumcari and Quay County	All Agencies	Jointly puchase, operate, and maintain Dura-Patcher road equipment.

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Total Estimated Project Amount</b>	<b>Net Amount Received (Contributed) by City During Fiscal Year</b>	<b>Audit Responsibility</b>	<b>Fiscal Agent/ Responsible Reporting Entity</b>
2/3/2006	Indefinite	Unknown	\$ -	None	None / Each individual law enforcement agency
9/15/2009	Indefinite	Unknown	\$ (82,622)	None	City / Dispatch Center
7/1/2007	6/30/2011	54,000	\$ (54,000)	None	None / Both
7/1/2007	5/28/2008	2,000	\$ (1,066)	None	None / Both
4/17/2007	Indefinite	Unknown	\$ -	None	None / Each individual governmental agency
12/1/2005	Indefinite	Unknown	\$ (150)	None	None / Both

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***

Hector Balderas  
New Mexico State Auditor  
City Manager, Mayor, and  
City Council Members  
City of Tucumcari  
Tucumcari, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund, and the combining and individual funds and related budgetary comparisons presented as supplementary information of City of Tucumcari, New Mexico (the City) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses identified as FS 06-04, FS 2008-08(Housing Authority).

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 identified as FS 09-01, FS 10-06, FS 2009-01(Housing Authority), and FS 2011-02(Housing Authority).

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tucumcari'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 questioned costs as items FS 08-03, FS 10-02, FS 10-07, FS 2010-02(Housing Authority), FS 2011-01(Housing Authority), and FS 2011-02(Housing Authority).

We noted no other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978.

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

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

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico  
April 30, 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 OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas  
New Mexico State Auditor  
City Manager, Mayor, and  
City Council Members  
City of Tucumcari  
Tucumcari, New Mexico

### Compliance

We have audited City of Tucumcari'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 City's major federal programs for the year ended June 30, 2011. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items FA 10-09 and FA 2007-11(Housing Authority).

### 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.

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*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as items FA 10-09 and FA 2007-01(Housing Authority). A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

GRIEGO PROFESSIONAL SERVICES, LLC

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Albuquerque, New Mexico  
April 30, 2012

**STATE OF NEW MEXICO**  
**TAOS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

Schedule IV

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Water and Waste Disposal Systems for Rural Communities (1)	ARRA CWSWF 16	10.781	5,190,961
Rural Rental Assistance Payments	NM 990419271	10.415	94,807
Rural Rental Assistance Interest Subsidy	NM 990419271	10.415	<u>48,560</u>
<b>Total U.S. Department of Agriculture</b>			<u>5,334,328</u>
<b>U.S. Department of Housing &amp; Urban Development (HUD)</b>			
<i>Passthrough New Mexico Department of Finance and Administration</i>			
Community Development Block Program (1)	10-C-NR-I-1-G-6	14.228	<u>500,000</u>
<i>Total Passthrough New Mexico Department of Finance and Administration</i>			<u>500,000</u>
<i>Direct Funding</i>			
Public and Indian Housing		14.850	276,612
Section 8 Housing Choice Vouchers (1)		14.871	452,628
Capital Fund Projects - Recovery Act Funded (1)		14.885	31,830
Capital Fund Projects(1)		14.872	<u>211,850</u>
<i>Total Direct Funding</i>			<u>972,920</u>
<b>Total U.S. Department of Housing &amp; Urban Development (HUD)</b>			<u>1,472,920</u>
<b>U.S. Department of Transportation</b>			
Highway Planning and Construction Cluster (1)	ES41240	20.205	<u>1,673,452</u>
<b>Total U.S. Department of Transportation</b>			<u>1,673,452</u>
<b>U.S. Environmental Protection Agency</b>			
Capitalization Grant for Clean Water State Revolving Fund (1)	ARRA WWTP 16	66.458	<u>1,100,000</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>1,100,000</u>
<b>U.S. Department of Health and Human Services</b>			
Senior Citizens Title IIIB	2010-07-6840	93.044	\$ 2,698
Senior Citizens Title IIIC1	2010-07-6840	93.045	34,289
Senior Citizens Title IIIC2	2010-07-6840	93.045	16,866
Senior Citizens NSIP	2010-07-6840	93.053	<u>7,078</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>60,931</u>
<b>U.S. Department of Homeland Security</b>			
Homeland Security Grant Program	2003-MU-T3-0047	97.067	<u>127,039</u>
<b>Total U.S. Department of Homeland Security</b>			<u>127,039</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 9,768,670</u>

(1) Denotes major program. The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**TAOS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

Schedule IV

**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 Tucumcari 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 County did not provide any federal awards to subrecipients during the year.

3. Debt Service Subsidy

The Authority did not receive any noncash assistance. However, a debt service subsidy payment was received and applied against interest payments due in the amount of \$48,560. This amount has been included in the amount reflected under the USDA FmHA program.

4. Loan Amount

The City owed \$4,806,444 to USDA at June 30, 2011.  
The Authority owed \$704,802 to FmHA at June 30, 2011.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 9,768,670
Total expenditures funded by other sources	<u>4,799,804</u>
Total expenditures	<u><u>\$ 14,568,474</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

**Schedule V**

**Section I – Summary of Audit Results**

*Financial Statements:*

- |   |             |
|---|-------------|
| 1. Type of auditors’ report issued  | Unqualified |
| 2. Internal Control over Financial Reporting and on Compliance and Other Matters: |             |
| 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 significant deficiency?  | No          |
| 2. Type of auditors’ opinion issued on the <i>Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133</i> | Unqualified |
| 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
10.781	Water and Waste Disposal Systems for Rural Communities
14.228	Community Development Block Grant-State Administered
14.871	Section 8 Housing Choice Vouchers
14.885	Capital Fund Projects – Recovery Act Funded
14.872	Capital Fund Projects
20.205	Highway Planning and Construction Cluster
66.458	Capitalization Grant for Clean Water State Revolving Fund

- |   |           |
|---|-----------|
| 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 TUCUMCARI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011

Schedule V

**Section II – Financial Statement Findings**

**City of Tucumcari (Primary Government) Findings:**

**FS 06-04 Deficiencies in Internal Control Structure Design, Operation, and Oversight (Material Weakness)**

*Condition:* The City does not have a comprehensive documented internal control structure. We noted the following areas in which the City does not have sufficient key internal controls in place.

- Accounts receivable registers and the accounts receivable aging trial balance are not reviewed for accuracy.
- We noted that there is no formal risk assessment or fraud risk assessment performed.

*Criteria:* The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management’s responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management’s assertions embodied in the financial statements.

The SAS No. 112 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 112 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

*Effect:* Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

*Cause:* During the fiscal year 2011, new internal control policies were developed, but not fully implemented. These policies did not address the areas noted above.

*Auditors’ Recommendation:* The City should ensure that a comprehensive internal control structure is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process. Risk assessments and fraud risk assessments should be performed and documented on a regular basis.

*Agency’s Response:* The basic framework of the internal control structure has been designed around COSO. However, all key controls have not yet been established. The Risk and Fraud Risk Assessments will be top priority for key control design and implementation. In addition, the portion of accounts receivable considered out of control (not the utility billing collections receivables which are controlled and a majority of the City’s receivables) will be managed to ensure reconciliations and review for accuracy.

**FS 08-03 — Over Expenditure of Budgets (Compliance)**

*Condition:* The City’s expenditures exceeded budget in some funds:

Nonmajor Funds:		
Senior Citizen’s	\$	1,283
Police Narcotics		700
Total		\$ 1,983

*Criteria:* The Authority by which the City can spend money is the Commission and the Department of Finance and Administration approved budget (Section 6-6-6; NMSA 1978). Once adopted, any claims or warrants in excess of budget are a violation of New Mexico Statute 6-6-6, 1978 Compilation.

STATE OF NEW MEXICO  
CITY OF TUCUMCARI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011

Schedule V

**Section II – Financial Statement Findings (continued)**

**City of Tucumcari (Primary Government) Findings: (continued)**

*Effect:* Per Section 6-6-6, NMSA 1978, it is binding upon officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and no official shall pay any check or warrant in excess thereof, and the allowances or claims or checks or warrants so allowed or paid shall be a liability against the officials so allowing or paying those claims or checks or warrants, and recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.

*Cause:* The City failed to obtain budget amendments for the funds that were over-expended or not budgeted for and the City budgeted for amounts in cash and/or fund balance that did not exist at the beginning of the fiscal year.

*Auditors' Recommendation:* We recommend that the City establish policies and procedures to ensure all expenditures are budgeted for and funds are not over-expended. All future budgets should include all required funds. Greater attention should be given to the budget monitoring process.

*Agency's Response:* An employee has been shifted from other duties to assist in additional budget monitoring. End of the Year adjusting entries created the expenditures that reflected items being over budget as budget adjustments resolutions by the Commission were completed for the year. These types of items will be anticipated and reviewed prior to year end.

**FS 09-01 – Failure to Obtain Proper Authorization for Expenditures (Significant Deficiency)**

*Condition:* We noted one instance out of twenty five tested in the amount of \$3,883.78 where no Purchase Order was issued, and management's authorization/review of the disbursement was not documented. We also noted one instance out of twenty five tested in the amount of \$761.32 where the Purchase Order was dated after the vendor invoice, indicating that the purchase was made before it was authorized.

*Criteria:* It is the City's stated internal control policy to obtain Purchase Orders for routine and reoccurring expenditure with authorizing signatures from the City Manager and a member of the Finance Department.

*Effect:* Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised.

*Cause:* The City has not placed appropriate emphasis on adherence to stated control policies.

*Auditors' Recommendation:* We recommend that the City management stop disbursements for improperly authorized expenditures until appropriate authorization is gained.

*Agency's Response:* A procedure has been implemented that all checks are reviewed by the Director of Finance or a designee if the Director is not available, to ensure all invoices greater than \$1,000 have a PO if they are not normal recurring type budget items such as electricity, gas and oil, etc. or contract type items. However, a procedure will be established to provide an exception situation for emergencies and other non-routine occurrences in which a PO cannot be generated prior to authorization of work and an invoice. The exception will require immediate follow-up, review and approval of the City Manager to generate a PO retroactive to the commitment. This will generally only be for emergency situation requiring immediate action for public safety or health.

**FS 10-02 — Stale Dated Checks (Compliance)**

*Condition:* The City's outstanding check listings included 17 checks outstanding in the amount of \$1,277.76 for more than one year at June 30, 2011.

*Criteria:* New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

STATE OF NEW MEXICO  
CITY OF TUCUMCARI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011

Schedule V

**Section II – Financial Statement Findings (continued)**

**City of Tucumcari (Primary Government) Findings: (continued)**

*Effect:* The City is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978. Also, the City's cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

*Cause:* Seventeen checks outstanding for over one year totaling \$1,277.76 were not appropriately voided or cancelled.

*Auditors' Recommendations:* We recommend that the City implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

*Agency's Response:* The City is now reviewing and voiding stale-dated checks.

**FS 10-06 — Cash Reconciliations (Significant Deficiency)**

*Condition:* During testwork, we noted that the City was several months behind on bank reconciliations..

*Criteria:* Accurate, timely bank reconciliations provide an important control over cash. Good internal controls and sound business policies require that the City safeguard its cash through a strong internal control system.

*Effect:* Internal controls over cash were weak. The City's cash balances could be at risk due to reconciliations being done in a timely manner. Errors in accounts could be missed due to not being investigated in a timely manner.

*Cause:* Official policies for performing timely, accurate bank reconciliations did not exist under the previous administration of the City. Differences in cash had not been resolved in a timely manner.

*Auditors' Recommendations:* We recommend that the City establish and implement policies requiring that bank reconciliations be performed timely and that all discrepancies be investigated.

*Agency's Response:* Bank reconciliations are being completed and reviewed monthly. All activity is being matched to receipts and daily receipts. We are confident all activity is being recorded.

**FS 10-07 — Audit Report Submission to the New Mexico State Auditor (Compliance)**

*Condition:* The required submission date of the audit report for the fiscal year ended June 30, 2011, to the New Mexico State Auditor was December 1, 2011.

*Criteria:* Section 2.2.2.9 A of the State Audit Rule set the due date for audit reports for municipalities as December 1st.

*Effect:* Noncompliance with section 2.2.2.9 A of the State Audit Rule. Late audit reports and financial statements could also impact funding from federal and state sources.

*Cause:* Unforeseeable events occurred at the time scheduled for audit field work which prevented completion of the audit in time to ensure the submission of a timely audit report.

*Auditors' Recommendations:* We recommend that information and reports be prepared and provided to the auditors in advance of the due date of the report.

*Agency's Response:* The Director of Finance experienced an unforeseen medical event during the scheduled audit field work delayed the audit process. Information and reports will be prepared and provided in advance of the due date of the report.

STATE OF NEW MEXICO  
CITY OF TUCUMCARI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011

Schedule V

**Section II – Financial Statement Findings (continued)**

**Housing Authority (Department) Findings:**

**FS 2008-08: Deficiencies in Internal Control Structure Design, Operation, and Oversight (Material Weakness)**

*Condition:* The Housing Authority does not have a comprehensive documented internal control structure. The internal control structure should include controls that allow the governing body to exercise effective oversight of internal controls and the financial reporting process. Also, controls in certain specific areas are not operating as designed. These include:

- There is inadequate segregation of duties.
- Changes to customer and vendor master files are not reviewed.

*Criteria:* As required by NMSA 1978 Section 6-6-3, the Housing Authority should design and maintain an internal control structure that enables it to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Under SAS 112, the internal control and financial reporting process should have adequate oversight provided by the body charged with governance.

*Effect:* Because there is not an adequate internal control structure or oversight by the governing body, complete and accurate financial data cannot be verified, assets are not properly safeguarded, reconciliations are not performed, or at a minimum not performed on a timely basis, and adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

*Cause:* For the fiscal year 2011 management, the body charged with governance, and staff did not have expertise and/or training to implement an adequate internal control structure.

*Auditors' Recommendation:* The Housing Authority should ensure that a comprehensive internal control structure is designed, documented and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

*Agency's Response:* Staff size limits internal control- Tucumcari Housing Authority will be working with the City of Tucumcari Director of Finance to ensure effective oversight of internal control and financial reporting processes are compliant as required by NMSA 1978 Section 6-6-3. Segregation of duties and customer/vendor master file controls will be addressed.

**2009-01: Preparation of Financial Statements (Significant Deficiency)**

*Condition:* Financial statements and related footnote disclosures were not prepared by the Authority.

*Criteria:* According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

*Effect:* When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

*Cause:* The Housing Authority's personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting including the preparation of financial statements and related footnote disclosures.

**STATE OF NEW MEXICO**  
**CITY OF TUCUMCARI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2011**

**Schedule V**

**Section II – Financial Statement Findings (continued)**

**Housing Authority (Department) Findings: (continued)**

*Auditors' Recommendation:* We recommend the Housing Authority's management and personnel receive training on understanding the requirements of external financial reporting. The training should include, but not be limited to:

- Selection of appropriate accounting policies:
  - Governmental Accounting Standards Board (GASB)
  - Generally Accepted Accounting Principles (specifically as applied to governmental units)
  - Financial Accounting Standards Board (FASB)
  - Department of Housing and Urban Development (HUD)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
  - Management's discussion and analysis
  - Financial Data Schedule
  - Schedule of Expenditures of Federal Awards
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the Housing Authority develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

*Agency's Response:* Tucumcari Housing is contracted and works closely with a Fee Accountant. Executive Director continues with ongoing training and will be GASB certified prior to next audit.

**FS 2010-02: Stale Dated Checks and Voided Checks (Compliance)**

*Condition:* The Authority is in violation of state statute regarding stale dated checks. In the Public Housing operating account, the Authority has 16 checks at June 30, 2011 that are over one year old.

*Criteria:* New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

*Effect:* The Authority is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978. Also, the Authority's cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

*Cause:* The Authority does not have a procedure in place to properly track and handle stale dated items..

*Auditors' Recommendation:* We recommend that the Authority implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided and escheated to the State.

*Agency's Response:* Tucumcari Housing will verify through HUD and follow-through with procedure(s) to handle stale dated checks.

**FS 2011-01 — Pledged Collateral – Cash Equivalents and Deposits (Compliance)**

*Condition:* During the year ended June 30, 2011, the Housing Authority maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2011 the under collateralization at the institutions totaled \$101,240 at Wells Fargo Bank..

*Criteria:* Cash equivalents and deposits in excess of FDIC Insurance Amounts (currently \$250,000) must be covered by 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-17.

STATE OF NEW MEXICO  
CITY OF TUCUMCARI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011

Schedule V

**Section II – Financial Statement Findings (continued)**

**Housing Authority (Department) Findings:**

*Effect:* Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the Authority’s public funds in the event of bank closure.

*Cause:* The Authority maintained Deposit accounts with Wells Fargo in amounts in excess of FDIC Coverage without properly holding pledged collateral for the Authority.

*Auditors’ Recommendations:* The Housing Authority should ensure all cash balances are collateralized as required by State Statutes.

*Agency’s Response:* Appropriate steps have been taken to collateralize accounts as required by State of New Mexico Statutes. Requirements for the Housing Authority and financial institution will be in place by month end (3/31/2012).

**FS 2011-02 — Late Audit Report (Significant Deficiency)**

*Condition:* The Housing Authority’s audit report for the year ended June 30, 2011 was not submitted to the State auditor by the required due date of December 1, 2011.

*Criteria:* Audit reports are due on or before the due date, December 1, according to the State Auditor regulation Section 2.2.2.9A.

*Effect:* The result was the late submission of the Authority’s audit report for the year ended June 30, 2011. Timely financial statements were not available for management’s use or to perform audit procedures.

*Cause:* Unforeseeable events occurred at the time scheduled for audit field work which prevented completion of the audit in time to ensure the submission of a timely audit report.

*Auditor’s Recommendation:* We recommend that the Authority put controls in place to ensure their 2012 audit is able to be performed timely.

*Management’s Response:* Tucumcari Housing Authority information was submitted on time. However, as a department of The City of Tucumcari the audit process was delayed due to an unforeseen medical emergency of the City of Tucumcari Director of Finance.

**Section III – Federal Award Findings**

**FA 2007-11 — Lack of Adequate Internal Controls over Compliance (Housing Authority) (Significant Deficiency) (Repeated)**

Federal program information:

Funding agency:	U.S. Department Housing and Urban Development
Title:	Section 8, Public Housing Low Rent, and Capital Fund Programs
CFDA number:	14.871, 14.850, and 14.872/14.885
Award period:	July 1, 2010 – June 30, 2011

*Condition:* The Housing Authority does not have a comprehensive documented internal control structure. Also, controls in certain specific areas are not operating as designed. These include:



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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
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**Section III – Federal Award Findings (continued)**

*Criteria:* The Housing Authority is required to follow the Single Audit requirements stipulated by U.S. Office of Management and Budget (OMB) Circular A-133 when receiving federal funds in excess of \$500,000. Those requirements stipulate that as a condition of receiving Federal awards, non-Federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements. (OMB) Circular A-133 Compliance Supplement Part I, 1-6.

*Questioned Costs:* None.

*Effect:* Lack of adequate internal controls results in an inability to ensure compliance with applicable requirements of Federal programs and could result in reduced funding for programs.

*Cause:* For the fiscal year 2010 management, the body charged with governance, and staff did not have expertise and/or training to implement an adequate internal control over compliance structure.

*Auditors' Recommendation:* Management should ensure that a comprehensive internal control structure is designed and implemented. The body charged with governance should provide effective oversight of the internal controls.

*Agency's Response:* Tucumcari Housing Authority is and will increase working with City of Tucumcari Director of Finance to ensure compliance of oversight of internal controls.

**FA 10-09 — Audit Report Submission to the New Mexico State Auditor and A-133 Data Collection Form(Significant Deficiency) (Repeated)**

Applies to all federal awards and all CFDA numbers

*Condition:* The report was due to the Federal Clearing House no later than 9 months after the end of the fiscal year. The report was not submitted to the Federal Clearing House by this deadline.

*Criteria:* Per OMB Circular A-133 the single audit data collection form was to be submitted no later than 9 months after the end of the fiscal year.

*Effect:* Noncompliance with OMB Circular A-133. Late audit reports and financial statements could also impact funding from federal and state sources.

*Cause:* Changes in management and financial staff near the end of the fiscal year resulted in late provision of audit information to the auditors.

*Auditors' Recommendations:* We recommend that information and reports be prepared and provided to the auditors in advance of the due date of the report.

*Agency's Response:* Information and reports will be prepared , available and provided to the auditors in advance of the due date of the report

**Section IV – Prior Year Audit Findings**

**Primary Government (City):**

FS 06-03: Preparation of Financial Statements, Resolved

FS 06-04: Deficiencies in Internal Control Structure Design, Operation, and Oversight, Repeated

FS 06-05: Capital Assets, Resolved

FS 08-03: Over Expenditure of Budgets, Repeated

FS 09-01: Failure to Obtain Proper Authorization for Expenditures, Repeated

FS 10-01: Segregation of Duties within Cash Disbursement Processes, Resolved

**STATE OF NEW MEXICO**  
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**Section IV – Prior Year Audit Findings (continued)**

**Primary Government (City): (continued)**

FS 10-02: Stale Dated Checks, Repeated  
FS 10-03: Voided Checks, Resolved  
FS 10-04: Daily Cash Drawer Reconciliations, Resolved  
FS 10-05: Trial Balance Discrepancies, Resolved  
FS 10-06: Cash Reconciliations, Resolved  
FS 10-07: Audit Report Submission to the New Mexico State Auditor, Repeated  
FS 10-08: Travel and Per Diem, Resolved  
FA 10-09: Audit Report Submission to the New Mexico State Auditor and A-133 Data Collection Form, Repeated

**Housing Authority (Department):**

FS 2008-07: Security Deposits Not Matching the Restricted Cash Account, Resolved  
FS 2008-08: Deficiencies in Internal Control Structure Design, Operation, and Oversight, Revised & Repeated  
FS 2009-01: Preparation of Financial Statements, Repeated  
FS 2009-02: Budgets Over-Expended, Resolved  
FS 2010-01: Incorrect Bank Reconciliation, Resolved  
FS 2010-02: Stale Dated Checks and Voided Checks, Revised & Repeated  
FS 2010-03: Travel and Per Diem, Resolved  
FS 2010-04: Information Technology, Resolved  
FA 2007-11: Lack of Adequate Internal Controls over Compliance, Repeated

**Section V – Other Disclosures**

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The City's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference-Primary Government

The contents of this report were discussed on April 30, 2012. The following individuals were in attendance.

City of Tucumcari  
Doug Powers, Interim City Manager  
Dennis Dysart, Finance Manager  
Amiel Curnutt, Mayor  
Daniel Lopez, Mayor Pro Tem  
Jimmy Sandoval, Commissioner  
Dora Salinas-McTigue, Commissioner  
Robert Lumpkin, Commissioner  
Christine Dougherty, City Clerk  
Vicki Strand, Human Resources  
Rachelle Arias, Assistant Finance Director

Griego Professional Services, LLC  
J.J. Griego, CPA, Managing Partner  
Benjamin Martinez, CPA

Exit Conference-Housing Authority

The contents of this report were discussed on March 21, 2012. The following individuals were in attendance.

City of Tucumcari  
Viki Riddle, Housing Authority Executive Director  
Doug Powers, Interim City Manager  
Arniel Curnutt, Mayor

Griego Professional Services, LLC  
J.J. Griego, CPA, Partner

**OTHER SUPPLEMENTAL INFORMATION**

Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM  
Entity Wide Balance Sheet Summary

Schedule VI

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
111 Cash - Unrestricted	\$ 407,111	\$ 150,729	\$ 60,306	\$ 618,146
112 Cash - Restricted - Modernization and Development	-	-	104,251	104,251
113 Cash - Other Restricted	-	306,764	-	306,764
114 Cash - Tenant Security Deposits	7,584	-	4,100	11,684
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-
100 Total Cash	\$ 414,695	\$ 457,493	\$ 168,657	\$ 1,040,845
121 Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -
122 Accounts Receivable - HUD Other Projects	11,144	-	-	11,144
124 Accounts Receivable - Other Government	-	-	7,286	7,286
125 Accounts Receivable - Miscellaneous	-	-	-	-
126 Accounts Receivable - Tenants	854	-	2,105	2,959
126.1 Allowance for Doubtful Accounts - Tenants	(85)	-	-	(85)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 11,913	\$ -	\$ 9,391	\$ 21,304
131 Investments - Unrestricted	\$ 22,741	\$ -	\$ -	\$ 22,741
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
142 Prepaid Expenses and Other Assets	24,039	-	-	24,039
143 Inventories	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	\$ 473,388	\$ 457,493	\$ 178,048	\$ 1,108,929
161 Land	\$ 68,890	\$ -	\$ 27,120	\$ 96,010
162 Buildings	2,151,413	-	940,412	3,091,825
163 Furniture, Equipment & Machinery - Dwellings	277,659	-	54,344	332,003
164 Furniture, Equipment & Machinery - Administration	161,493	-	-	161,493
165 Leasehold Improvements	1,193,781	-	-	1,193,781
166 Accumulated Depreciation	(1,942,533)	-	(271,562)	(2,214,095)
167 Construction in Progress	48,083	-	-	48,083
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,958,786	\$ -	\$ 750,314	\$ 2,709,100

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

Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM  
Entity Wide Balance Sheet Summary

Schedule VI

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
171 Notes, Loans and Mortgages Receivable - Non-Current	\$ -	\$ -	\$ -	\$ -
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-
180 Total Non-Current Assets	\$ 1,958,786	\$ -	\$ 750,314	\$ 2,709,100
190 Total Assets	\$ 2,432,174	\$ 457,493	\$ 928,362	\$ 3,818,029
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	12,519	-	1,458	13,977
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	8,038	-	-	8,038
322 Accrued Compensated Absences - Current Portion	3,559	-	-	3,559
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	1,226	1,226
331 Accounts Payable - HUD PHA Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-
341 Tenant Security Deposits	7,584	-	4,100	11,684
342 Deferred Revenues	-	-	43	43
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	10,419	10,419
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-
347 Inter Program - Due To	-	-	-	-
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	\$ 31,700	\$ -	\$ 17,246	\$ 48,946
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ 694,383	\$ 694,383
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	8,305	-	-	8,305
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	\$ 8,305	\$ -	\$ 694,383	\$ 702,688
300 Total Liabilities	\$ 40,005	\$ -	\$ 711,629	\$ 751,634
508.1 Invested In Capital Assets, Net of Related Debt	\$ 1,958,786	\$ -	\$ 750,314	\$ 2,709,100
509.2 Fund Balance Reserved	-	-	-	-
511.2 Unreserved, Designated Fund Balance	-	-	-	-
511.1 Restricted Net Assets	-	306,764	104,251	411,015
512.1 Unrestricted Net Assets	433,383	150,729	(637,832)	(53,720)
512.2 Unreserved, Undesignated Fund Balance	-	-	-	-
513 Total Equity/Net Assets	\$ 2,392,169	\$ 457,493	\$ 216,733	\$ 3,066,395
600 Total Liabilities and Equity/Net Assets	\$ 2,432,174	\$ 457,493	\$ 928,362	\$ 3,818,029

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

Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM

Schedule VI

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
70300 Net Tenant Rental Revenue	\$ 156,919	\$ -	\$ 18,987	\$ 175,906
70400 Tenant Revenue - Other	-	-	-	-
70500 Total Tenant Revenue	\$ 156,919	\$ -	\$ 18,987	\$ 175,906
70600 HUD PHA Operating Grants	\$ 369,438	\$ 539,542	\$ -	\$ 908,980
70610 Capital Grants	150,854	-	-	150,854
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	\$ 520,292	\$ 539,542	\$ -	\$ 1,059,834
70800 Other Government Grants	\$ -	\$ -	\$ 143,367	\$ 143,367
71100 Investment Income - Unrestricted	103	112	-	215
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	5,018	-	1,822	6,840
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	\$ 682,332	\$ 539,654	\$ 164,176	\$ 1,386,162
91100 Administrative Salaries	\$ 45,464	\$ 30,800	\$ 8,010	\$ 84,274
91200 Auditing Fees	3,050	9,163	-	12,213
91300 Management Fee	-	-	10,560	10,560
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	302	-	4	306
91500 Employee Benefit contributions - Administrative	29,399	5,967	9,929	45,295
91600 Office Expenses	22,589	6,225	-	28,814
91700 Legal Expense	1,261	-	-	1,261
91800 Travel	-	853	174	1,027
91810 Allocated Overhead	-	-	-	-
91900 Other	-	6,435	-	6,435
91000 Total Operating - Administrative	\$ 102,065	\$ 59,443	\$ 28,677	\$ 190,185

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

Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM

Schedule VI

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-
92400 Tenant Services - Other	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -
93100 Water	\$ 37,746	\$ -	\$ 2,493	\$ 40,239
93200 Electricity	4,453	-	2,582	7,035
93300 Gas	33,777	-	-	33,777
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	-	-	2,580	2,580
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	\$ 75,976	\$ -	\$ 7,655	\$ 83,631
94100 Ordinary Maintenance and Operations - Labor	\$ 63,476	\$ -	\$ 6,427	\$ 69,903
94200 Ordinary Maintenance and Operations - Materials and Other	24,008	-	12,934	36,942
94300 Ordinary Maintenance and Operations Contracts	19,471	-	78,954	98,425
94500 Employee Benefit Contributions - Ordinary Maintenance	11,392	-	-	11,392
94000 Total Maintenance	\$ 118,347	\$ -	\$ 98,315	\$ 216,662
95100 Protective Services - Labor	\$ -	\$ -	\$ -	\$ -
95200 Protective Services - Other Contract Costs	-	-	-	-
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	\$ 28,344	\$ -	\$ -	\$ 28,344
96120 Liability Insurance	-	-	14	14
96130 Workmen's Compensation	-	-	441	441
96140 All Other Insurance	-	726	784	1,510
96100 Total insurance Premiums	\$ 28,344	\$ 726	\$ 1,239	\$ 30,309
96200 Other General Expenses	\$ 58,996	\$ 21,695	\$ -	\$ 80,691
96210 Compensated Absences	4,567	-	-	4,567
96300 Payments in Lieu of Taxes	-	-	-	-
96400 Bad debt - Tenant Rents	-	-	-	-
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	\$ 63,563	\$ 21,695	\$ -	\$ 85,258

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

Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM

Schedule VI

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
96710 Interest of Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -
96720 Interest on Notes Payable (Short and Long Term)	-	-	62,129	62,129
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ 62,129	\$ 62,129
96900 Total Operating Expenses	\$ 388,295	\$ 81,864	\$ 198,015	\$ 668,174
97000 Excess of Operating Revenue over Operating Expenses	\$ 294,037	\$ 457,790	\$ (33,839)	\$ 717,988
97100 Extraordinary Maintenance	\$ -	\$ -	\$ -	\$ -
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	-	370,764	-	370,764
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	98,405	-	28,076	126,481
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
90000 Total Expenses	\$ 486,700	\$ 452,628	\$ 226,091	\$ 1,165,419
10010 Operating Transfer In	\$ 86,162	\$ -	\$ -	\$ 86,162
10020 Operating transfer Out	(86,162)	-	-	(86,162)
10030 Operating Transfers from/to Primary Government	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10093 Transfers between Program and Project - In	150,854	-	-	150,854
10094 Transfers between Project and Program - Out	(150,854)	-	-	(150,854)
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 195,632	\$ 87,026	\$ (61,915)	\$ 220,743

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



Housing Authority of the City of Tucumcari (NM033)  
TUCUMCARI, NM

Schedule VI

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	Project Total	14.871 Housing Choice Vouchers	10.415 Rural Rental Housing Loans	Total
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ 9,548	\$ 9,548
11030 Beginning Equity	\$ 2,196,537	\$ 370,467	\$ 278,648	\$ 2,845,652
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ 163,229	\$ -	\$ 163,229
11180 Housing Assistance Payments Equity	\$ -	\$ 306,764	\$ -	\$ 306,764
11190 Unit Months Available	1,080	1,680	-	2,760
11210 Number of Unit Months Leased	1,050	1,146	-	2,196
11270 Excess Cash	\$ 387,864	\$ -	\$ -	\$ 387,864
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	\$ 117,855	\$ -	\$ -	\$ 117,855
11630 Furniture & Equipment - Dwelling Purchases	\$ 32,999	\$ -	\$ -	\$ 32,999
11640 Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -
11650 Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ -
11660 Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -
13510 CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -

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