

STATE OF NEW MEXICO
CITY OF TUCUMCARI
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
CITY OF TUCUMCARI**

Official Roster
June 30, 2013

City Council

Mayor	Amiel Curnutt
Mayor Pro-Tem	Daniel Lopez
Commissioner	Dora Salinas-McTigue
Commissioner	Jimmy Sandoval
Commissioner	Robert Lumpkin

Administrative Officials

City Manager	Doug Powers
Assistant City Manager	Mike Cherry
City Clerk	Angelica Gray
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, 2013
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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

Report on Financial Statements

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 and major special revenue funds of City of Tucumcari, New Mexico (the "City"), as of and for the year ended June 30, 2013, 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 the budgetary comparisons for the major capital project fund, debt service fund, internal service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents. These financial statements are the responsibility of the City of Tucumcari, New Mexico's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principals generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance 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, 2013, 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, permanent funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other matters

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

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 Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Other Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 on our consideration of City of Tucumcari'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* in considering the City's internal control over financial reporting and compliance.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico
November 15, 2013

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF NET POSITION
JUNE 30, 2013

Exhibit A-1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,239,295	\$ 4,334,428	\$ 7,573,723
Short term investments	423,463	428,659	852,122
Receivables			
Property taxes	-	-	-
Other taxes	42,114	-	42,114
Intergovernmental	428,254	18,787	447,041
Customers, net of allowance	40,083	541,710	581,793
Other accounts receivable	892,989	532,823	1,425,812
Prepaid insurance	114,265	5,046	119,311
Inventory	-	73,822	73,822
Internal balances	6,011	(6,011)	-
Restricted cash and equivalents	46,425	90,151	136,576
Bond issuance costs (net of accumulated amortization of \$2,500 and \$1,240)	-	-	-
Original issue discounts (net of accumulated amortization of \$2,025)	-	-	-
Capital assets	28,194,504	48,307,105	76,501,609
Less: accumulated depreciation	(12,884,713)	(17,917,092)	(30,801,805)
Total Assets	20,542,690	36,409,428	56,952,118

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF NET POSITION
JUNE 30, 2013

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Liabilities			
Accounts payable	\$ 305	\$ 46,043	\$ 46,348
Accrued payroll liabilities	-	13,647	13,647
Customer deposits payable	(75)	180,808	180,733
Other accrued liabilities	6,256	19,633	25,889
Deferred revenue - prepaid rent	-	5	5
Accrued interest payable	6,181	56,876	63,057
Noncurrent Liabilities:			
Current portion of accrued compensated absences	18,185	4,207	22,392
Non current portion of accrued compensated absences	209,738	45,173	254,911
Current portion of long term obligatons	217,436	131,019	348,455
Bonds payable	984,000	-	984,000
Notes & Capital Leases Payable	746,121	6,484,400	7,230,521
Landfill liability	-	4,234,793	4,234,793
Total Liabilities	<u>2,188,147</u>	<u>11,216,604</u>	<u>13,404,751</u>
Net Position			
Net investment in capital assets	13,353,858	23,774,594	37,128,452
Restricted for:			
Debt service	236,415	-	236,415
Capital projects	437,232	976,558	1,413,790
Special revenue funds/other purposes	1,988,567	-	1,988,567
Unrestricted	<u>2,338,471</u>	<u>441,672</u>	<u>2,780,143</u>
Total Net Position	<u><u>18,354,543</u></u>	<u><u>25,192,824</u></u>	<u><u>43,547,367</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF ACTIVITIES
JUNE 30, 2013**

	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government				
Governmental Activities:				
General government	\$ 1,812,515	\$ 1,266,550	\$ 525,368	\$ -
Public safety	2,595,502	512,941	552,291	-
Culture and recreation	1,056,256	60,011	-	-
Health and welfare	573,011	-	458,497	-
Public works	1,167,222	(3,262)	7,171	667,757
Interest on long-term debt	48,737	-	-	-
Total governmental activities	7,253,243	1,836,240	1,543,327	667,757
Business-type activities				
Airport	643,960	368,308	-	383,847
Joint Utility	6,187,190	2,590,158	-	-
Sanitation	645,455	998,331	-	133,269
Housing Authority	1,027,746	158,539	680,668	240,681
Total business-type activities	8,504,351	4,115,336	680,668	757,797
Total primary government	15,757,594	5,951,576	2,223,995	1,425,554

General Revenues:

Taxes

Property taxes

Gross receipts taxes

Franchise Tax

Lodgers Tax

Gas Tax

ED/Infrastructure Tax

Interest income

Transfers in (out)

Gain (loss) on asset disposal

Miscellaneous income

Total General Revenues and Transfers

Change in net assets

Total net position - beginning of year

Restatement (Note 16)

Restated net position - beginning of year

Total net position - end of year

The accompanying notes are an integral part of these financial statements

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (20,597)	\$ -	\$ (20,597)
(1,530,270)	-	(1,530,270)
(996,245)	-	(996,245)
(114,514)	-	(114,514)
(495,556)	-	(495,556)
(48,737)	-	(48,737)
<u>(3,205,919)</u>	<u>-</u>	<u>(3,205,919)</u>
-	108,195	108,195
-	(3,597,032)	(3,597,032)
-	486,145	486,145
-	52,142	52,142
<u>-</u>	<u>(2,950,550)</u>	<u>(2,950,550)</u>
		<u><u>(6,156,469)</u></u>
357,669	-	357,669
3,077,263	(3,823)	3,073,440
211,590	-	211,590
507,861	-	507,861
309,092	-	309,092
147,083	366,915	513,998
16,997	2,333	19,330
(33,226)	37,688	4,462
(1,262,597)	2,424	(1,260,173)
462,342	66,614	528,956
<u>3,794,074</u>	<u>472,151</u>	<u>4,266,225</u>
<u>588,155</u>	<u>(2,478,399)</u>	<u>(1,890,244)</u>
12,638,224	29,399,304	42,037,528
5,128,164	(1,728,081)	3,400,083
<u>17,766,388</u>	<u>27,671,223</u>	<u>45,437,611</u>
<u>\$ 18,354,543</u>	<u>\$ 25,192,824</u>	<u>\$ 43,547,367</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF TUCUMCARI
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General Fund</u>	<u>Fire Districts Fund</u>	<u>1/8% Economic Development Tax Fund</u>
Assets			
<i>Current:</i>			
Cash and cash equivalents	\$ 1,671,236	\$ 336,606	\$ 166,478
Short term investments	245	102,975	320,243
Accounts receivable			
Property taxes	-	-	-
Other taxes	40,083	-	-
Intergovernmental	8,705	244,578	22,391
Miscellaneous	725,317	-	-
Interfund receivable	10,826	-	-
Prepaid expenses	114,265	-	-
Interfund note receivable	-	-	45,854
<i>Total assets</i>	<u>\$ 2,570,677</u>	<u>\$ 684,159</u>	<u>\$ 554,966</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 305	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Customer deposits payable	-	-	-
Other accrued liabilities	6,173	-	-
Interfund payable	-	-	-
Interfund note payable	-	-	-
<i>Total liabilities</i>	<u>6,478</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	114,265	-	45,854
Restricted	-	684,159	509,112
Committed	-	-	-
Assigned	-	-	-
Unassigned	2,449,934	-	-
<i>Total fund balances</i>	<u>2,564,199</u>	<u>684,159</u>	<u>554,966</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,570,677</u>	<u>\$ 684,159</u>	<u>\$ 554,966</u>

The accompanying notes are an integral part of these financial statements

Capital Projects Fund	Golf Course Capital Imp. Fund	Lodger's Tax GRT Series 2002 Fund	Other Governmental Funds	Total
\$ 9,612	\$ 2,418	\$ 181,077	\$ 918,293	\$ 3,285,720
-	-	-	-	423,463
-	-	-	-	-
-	-	-	-	40,083
150,000	-	-	2,580	428,254
-	14,775	-	195,011	935,103
-	-	-	-	10,826
-	-	-	-	114,265
-	-	-	-	45,854
<u>\$ 159,612</u>	<u>\$ 17,193</u>	<u>\$ 181,077</u>	<u>\$ 1,115,884</u>	<u>\$ 5,283,568</u>
\$ -	\$ -	\$ -	\$ -	\$ 305
-	-	-	-	-
-	-	-	(75)	(75)
-	-	-	83	6,256
-	-	-	4,815	4,815
-	45,854	-	-	45,854
<u>-</u>	<u>45,854</u>	<u>-</u>	<u>4,823</u>	<u>57,155</u>
-	-	-	-	160,119
159,612	-	181,077	1,111,061	2,645,021
-	-	-	-	-
-	-	-	-	-
-	(28,661)	-	-	2,421,273
<u>159,612</u>	<u>(28,661)</u>	<u>181,077</u>	<u>1,111,061</u>	<u>5,226,413</u>
<u>\$ 159,612</u>	<u>\$ 17,193</u>	<u>\$ 181,077</u>	<u>\$ 1,115,884</u>	<u>\$ 5,283,568</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 POSITION
JUNE 30, 2013

Exhibit B-1
Page 2 of 2

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

Fund balances - total governmental funds	\$	5,226,413
Internal service funds assets and liabilities, included in governmental activities in the statement of net position:		
Current Assets		0
Capital Assets		22,328
Liabilities		(610)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		15,287,463
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Accrued interest		(6,181)
Current portion of accrued compensate absences		(18,185)
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 compensated absences		(209,128)
Bond issuance costs		0
Discounts on bonds payable		0
Bonds payable		(1,947,557)
		(1,947,557)
Net position-Governmental Activities	\$	18,354,543

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, 2013

	General Fund	Fire Districts Fund	1/8% Economic Development Tax Fund
<i>Revenues:</i>			
Property taxes	\$ 357,669	\$ -	\$ -
Gross receipts taxes	3,077,263	-	-
Other taxes	221,590	-	147,083
State grants	241,153	229,618	-
Federal grants	291,996	-	-
Licenses and fees	157,054	-	-
Charges for services	750,165	-	-
Investment income	937	238	16,174
Miscellaneous	315,546	-	6,419
<i>Total Revenues</i>	<u>5,413,373</u>	<u>229,856</u>	<u>169,676</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General Government	683,786	-	87,886
Public safety	1,581,019	118,730	-
Culture and recreation	721,191	-	-
Health and welfare	-	-	-
Public works	567,788	-	-
Capital Outlay	26,253	-	14,593
<i>Debt Service:</i>			
Principal	-	50,628	-
Interest	-	1,936	-
Bond issuance costs	25,000	-	-
<i>Total Expenditures</i>	<u>3,605,037</u>	<u>171,294</u>	<u>102,479</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,808,336</u>	<u>58,562</u>	<u>67,197</u>
<i>Other financing sources (uses)</i>			
Proceeds from note payable	-	-	-
Discount on bonds payable	-	-	-
Operating transfers in	-	-	-
Operating transfers (out)	(466,442)	-	-
<i>Total other financing sources (uses)</i>	<u>(466,442)</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	1,341,894	58,562	67,197
<i>Fund balance - beginning of year</i>	1,222,305	625,597	487,769
<i>Fund balance - end of year</i>	<u>\$ 2,564,199</u>	<u>\$ 684,159</u>	<u>\$ 554,966</u>

The accompanying notes are an integral part of these financial statements

Capital Projects Fund	Golf Course Capital Imp. Fund	Lodger's Tax GRT Series 2002 Fund	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ 357,669
-	-	-	-	3,077,263
-	-	-	806,953	1,175,626
150,000	-	-	965,431	1,586,202
-	-	-	332,886	624,882
-	(3,262)	-	496,087	649,879
-	-	-	14,768	764,933
-	-	(6)	(346)	16,997
-	-	-	140,374	462,339
<u>150,000</u>	<u>(3,262)</u>	<u>(6)</u>	<u>2,756,153</u>	<u>8,715,790</u>
-	-	-	126,232	897,904
-	-	-	842,263	2,542,012
-	-	-	436,536	1,157,727
-	-	-	468,121	468,121
-	-	-	262,117	829,905
-	-	-	462,260	503,106
-	-	130,000	21,534	202,162
-	1,246	25,322	20,233	48,737
-	-	-	-	25,000
<u>-</u>	<u>1,246</u>	<u>155,322</u>	<u>2,639,296</u>	<u>6,674,674</u>
<u>150,000</u>	<u>(4,508)</u>	<u>(155,328)</u>	<u>116,857</u>	<u>2,041,116</u>
-	-	-	-	-
-	-	-	-	-
9,612	-	155,329	858,428	1,023,369
-	-	-	(566,367)	(1,032,809)
<u>9,612</u>	<u>-</u>	<u>155,329</u>	<u>292,061</u>	<u>(9,440)</u>
159,612	(4,508)	1	408,918	2,031,676
-	(24,153)	181,076	702,143	3,194,737
<u>\$ 159,612</u>	<u>\$ (28,661)</u>	<u>\$ 181,077</u>	<u>\$ 1,111,061</u>	<u>\$ 5,226,413</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, 2013

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

Net change in fund balances - total governmental funds	\$ 2,031,676
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	759,598
Depreciation expense	(1,035,240)
Loss on disposal of assets	(1,262,597)

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	215,154
Bond proceeds	-
Bond issuance costs upon issuance	0
Bond discount upon issuance	0
Decrease in compensated absences	(116,073)
Decrease in accrued interest expense	85
Amortization of bond issuance costs	-
Amortization of bond discounts	-

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

Revenue	428,715
Expense	(433,163)

Change in net position of governmental activities	\$ 588,155
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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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 3,166,235	\$ 3,155,415	\$ (10,820)
Intergovernmental	-	445,297	445,297	-
Licenses and fees	-	143,622	155,726	12,104
Charges for services	-	750,199	750,165	(34)
Investment income	-	1,000	937	(63)
Miscellaneous	-	319,485	318,596	(889)
<i>Total revenues</i>	-	4,825,838	4,826,136	298
<i>Expenditures:</i>				
Current				
General Government	-	837,077	811,543	25,534
Public safety	-	1,607,421	1,587,281	20,140
Culture and recreation	-	752,270	736,415	15,855
Health and welfare	-	-	-	-
Public works	-	559,532	549,457	10,075
Education	-	-	-	-
Capital outlay	-	26,253	26,253	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	3,782,553	3,710,949	71,604
<i>Excess (deficiency) of revenues over expenditures</i>	-	1,043,285	1,115,187	71,902
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(464,822)	(466,442)	(1,620)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(578,463)	-	578,463
<i>Total other financing sources (uses)</i>	-	(1,043,285)	(466,442)	576,843
<i>Net change in fund balances</i>	-	-	648,745	648,745
<i>Fund balances - beginning of year</i>	-	-	1,033,562	1,033,562
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,682,307	\$ 1,682,307
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			587,237	
Expenditure accruals			105,912	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)				\$ 1,341,894

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	230,619	229,618	(1,001)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	400	238	(162)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>231,019</u>	<u>229,856</u>	<u>(1,163)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	115,653	107,053	8,600
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	50,628	50,628	-
Interest	-	1,937	1,936	1
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>168,218</u>	<u>159,617</u>	<u>8,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>62,801</u>	<u>70,239</u>	<u>7,438</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(62,801)	-	62,801
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(62,801)</u>	<u>-</u>	<u>62,801</u>
<i>Net change in fund balances</i>	-	-	70,239	70,239
<i>Fund balances - beginning of year</i>	-	-	613,920	613,920
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,159</u>	<u>\$ 684,159</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(11,677)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 58,562</u>	

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

STATE OF NEW MEXICO

Exhibit C-3

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 120,078	\$ 124,692	\$ 4,614
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	26	16,174	16,148
Miscellaneous	-	6,419	6,419	-
<i>Total revenues</i>	<u>-</u>	<u>126,523</u>	<u>147,285</u>	<u>20,762</u>
<i>Expenditures:</i>				
Current				
General Government	-	92,053	92,053	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	14,593	14,593	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>106,646</u>	<u>106,646</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>19,877</u>	<u>40,639</u>	<u>20,762</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(19,877)	-	19,877
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(19,877)</u>	<u>-</u>	<u>19,877</u>
<i>Net change in fund balances</i>	-	-	40,639	40,639
<i>Fund balances - beginning of year</i>	-	-	446,082	446,082
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,721</u>	<u>\$ 486,721</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			22,391	
Expenditure accruals			4,167	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 67,197</u>	

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

STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

Assets	Airport	Joint Utility
Cash and investments	\$ 265	\$ 3,461,419
Receivables		
Intergovernmental	-	-
Customers (net of allowance for uncollectibles)	-	392,831
Other receivables	59,968	280,286
Interfund receivables	(6,011)	-
Inventory	47,145	20,853
Prepaid insurance	-	-
Total current assets	101,367	4,155,389
Bond issuance costs, net of accumulated amortization	-	-
Capital assets	7,021,275	32,696,945
Less: accumulated depreciation	(3,191,643)	(10,535,554)
Total noncurrent assets	3,829,632	22,161,391
Total assets	\$ 3,930,999	\$ 26,316,780
Liabilities		
Current Liabilities:		
Accounts payable	\$ -	\$ 12,235
Accrued payroll liabilities	-	10,368
Other accrued liabilities	-	19,633
Accrued interest expense	-	55,942
Deferred revenue - prepaid rent	-	-
Customer/tenant deposits	-	168,314
Current portion of accrued compensated absences	-	-
Current portion of bonds and notes payable	-	118,616
Total current liabilities	-	385,108
Noncurrent Liabilities:		
Noncurrent portion of accrued compensated absences	2,511	32,354
Noncurrent portion of bonds and notes payable	-	5,813,787
Noncurrent portion of landfill liability	-	-
Total non-current liabilities	2,511	5,846,141
Total liabilities	2,511	6,231,249
Net Position		
Net investment in capital assets	3,829,632	16,228,988
Restricted	-	-
Unrestricted	98,856	3,856,543
Total net position	3,928,488	20,085,531

The accompanying notes are an integral part of these financial statements

Solid Waste	Housing Authority	Total	Internal Service Fund
\$ 588,458	\$ 803,096	\$ 4,853,238	\$ -
11,194	7,593	18,787	-
143,444	5,435	541,710	-
192,569	-	532,823	-
-	-	(6,011)	-
-	5,824	73,822	-
-	5,046	5,046	-
<u>935,665</u>	<u>826,994</u>	<u>6,019,415</u>	<u>-</u>
-	-	-	-
3,420,621	5,168,264	48,307,105	184,283
<u>(1,713,491)</u>	<u>(2,476,404)</u>	<u>(17,917,092)</u>	<u>(161,955)</u>
1,707,130	2,691,860	30,390,013	22,328
<u>\$ 2,642,795</u>	<u>\$ 3,518,854</u>	<u>\$ 36,409,428</u>	<u>\$ 22,328</u>
\$ 24,761	\$ 9,047	\$ 46,043	\$ -
-	3,279	13,647	-
-	-	19,633	-
-	934	56,876	-
-	5	5	-
-	12,494	180,808	-
-	4,207	4,207	-
-	12,403	131,019	-
<u>24,761</u>	<u>42,369</u>	<u>452,238</u>	<u>-</u>
10,308	-	45,173	610
-	670,613	6,484,400	-
<u>4,234,793</u>	<u>-</u>	<u>4,234,793</u>	<u>-</u>
<u>4,245,101</u>	<u>670,613</u>	<u>10,764,366</u>	<u>610</u>
<u>4,269,862</u>	<u>712,982</u>	<u>11,216,604</u>	<u>610</u>
1,707,130	2,008,844	23,774,594	22,328
-	67,817	67,817	-
<u>(3,334,197)</u>	<u>729,211</u>	<u>1,350,413</u>	<u>(610)</u>
<u>(1,627,067)</u>	<u>2,805,872</u>	<u>25,192,824</u>	<u>21,718</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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Airport	Joint Utility
<i>Operating revenues:</i>		
Charges for services	\$ 368,308	\$ 2,590,158
Total operating revenues	368,308	2,590,158
<i>Operating expenses:</i>		
General and administrative	16,102	117,601
Personnel services	97,487	754,607
Contractual services	534	409,392
Supplies and purchased power	410,694	129,236
Maintenance and materials	105,423	57,151
Utilities	11,581	456,767
Depreciation	2,139	4,103,865
Miscellaneous	-	-
Total operating expenses	643,960	6,028,619
Operating income (loss)	(275,652)	(3,438,461)
<i>Non-operating revenues (expenses):</i>		
Taxes	-	289,553
Housing assistance payments	-	-
Interest income	-	(8)
Interest expense	-	(158,571)
Loss on disposal of assets	-	-
Amortization expense of bond issuance costs	-	-
Grant revenue	383,847	-
Miscellaneous	-	56,332
Total non-operating revenues	383,847	187,306
Transfers in	61,525	413,917
Transfers (out)	-	(437,754)
Total transfers	61,525	(23,837)
<i>Net Income</i>	169,720	(3,274,992)
<i>Total net position - beginning</i>	3,402,355	24,109,291
<i>Prior period adjustment</i>	356,413	(748,768)
<i>Total net position - restated</i>	3,758,768	23,360,523
<i>Total net position - ending</i>	\$ 3,928,488	\$ 20,085,531

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>
\$ 998,331	\$ 158,539	\$ 4,115,336	\$ 428,715
<u>998,331</u>	<u>158,539</u>	<u>4,115,336</u>	<u>428,715</u>
257,715	281,619	673,037	1,645
288,627	-	1,140,721	385,065
34,800	-	444,726	(2,440)
(437,250)	-	102,680	25,758
121,116	160,745	444,435	4,944
49,209	90,216	607,773	11,960
140,381	136,608	4,382,993	5,845
185,629	-	185,629	386
<u>640,227</u>	<u>669,188</u>	<u>7,981,994</u>	<u>433,163</u>
358,104	(510,649)	(3,866,658)	(4,448)
73,539	-	363,092	-
-	(346,995)	(346,995)	-
2,341	-	2,333	-
(5,228)	(11,563)	(175,362)	-
-	2,424	2,424	-
-	-	-	-
133,269	921,349	1,438,465	-
285	9,997	66,614	-
<u>204,206</u>	<u>575,212</u>	<u>1,350,571</u>	<u>-</u>
-	-	475,442	-
-	-	(437,754)	-
-	-	37,688	-
562,310	64,563	(2,478,399)	(4,448)
(853,651)	2,741,309	29,399,304	25,556
(1,335,726)	-	(1,728,081)	610
<u>(2,189,377)</u>	<u>2,741,309</u>	<u>27,671,223</u>	<u>26,166</u>
<u>\$ (1,627,067)</u>	<u>\$ 2,805,872</u>	<u>\$ 25,192,824</u>	<u>\$ 21,718</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, 2013

	Enterprise Funds		Enterpri
	Airport Enterprise Fund	Joint Utility Enterprise Fund	Soild Waste Enterprise Fund
Cash Flows From Operating Activities:			
Cash received from customers	\$ 318,554	\$ 2,582,054	\$ 747,526
Cash paid to suppliers and employees	(763,661)	(1,881,817)	(484,708)
Net Cash (Used) by Operating Activities	<u>(445,107)</u>	<u>700,237</u>	<u>262,818</u>
Cash Flows From Non-Capital Financing Activities			
Operating transfers	61,525	(23,421)	-
Gross receipts tax		289,553	73,539
Grant income	383,847	-	133,269
Housing assistance payments	-	-	-
Interest expense	-	-	-
Miscellaneous income	-	55,916	285
Net Cash (Used) by Non-Capital Financing Activities	<u>445,372</u>	<u>322,048</u>	<u>207,093</u>
Cash Flows From Capital Financing Activities			
(Purchase)/transfer of capital assets	(356,413)	1,041,276	1,237,610
Principal paid on capital debt	-	(92,163)	(2,866,600)
Prior peroid adjustment	356,413	(733,105)	1,335,726
Interest paid on capital debt	-	(173,925)	(5,228)
Net Cash (Used) by Capital Financing Activities	<u>-</u>	<u>42,083</u>	<u>(298,492)</u>
Cash Flows From Investing Activities:			
Interest income	-	(8)	2,341
Net Cash (Used) by Investing Activities	<u>-</u>	<u>(8)</u>	<u>2,341</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	265	1,064,360	173,760
Cash and Cash Equivalents, Beginning of Year	<u>0</u>	<u>2,397,059</u>	<u>414,698</u>
Cash and Cash Equivalents, End of Year	<u>\$ 265</u>	<u>\$ 3,461,419</u>	<u>\$ 588,458</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:			
Operating income (loss)	\$ (275,652)	\$ (3,438,461)	\$ 358,104
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	2,139	4,103,865	140,381
(Increase)/decrease in accounts receivable	(49,754)	(104,886)	(250,805)
(Increase)/decrease in interfund balances	(120,143)	-	-
(Increase)/decrease in inventory	-	96,782	-
(Increase)/decrease in prepaid insurance	-	-	-
Increase/(decrease) in accounts payable	-	7,289	19,750
Increase/(decrease) in accrued liabilities	(1,495)	38,261	(3,778)
Increase/(decrease) deferred revenue	-	-	-
Increase/(decrease) in tenant security deposits	-	-	-
Increase/(decrease) in accrued compensated absences	(202)	(2,613)	(834)
Net Cash (Used) by Operating Activities	<u>\$ (445,107)</u>	<u>\$ 700,237</u>	<u>\$ 262,818</u>

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

ise Funds		
Housing Authority Enterprise Fund	Total	Internal Service Fund
\$ 168,197	\$ 3,816,331	\$ 437,054
(542,889)	(3,673,075)	(429,380)
<u>(374,692)</u>	<u>143,256</u>	<u>7,674</u>
-	38,104	-
-	363,092	-
921,349	1,438,465	-
(346,995)	(346,995)	-
-	-	-
-	56,201	-
<u>574,354</u>	<u>1,548,867</u>	<u>-</u>
(244,965)	1,677,508	(14,221)
(11,367)	(2,970,130)	-
-	959,034	70,587
(11,750)	(190,903)	-
<u>(268,082)</u>	<u>(524,491)</u>	<u>56,366</u>
104	2,437	-
<u>104</u>	<u>2,437</u>	<u>-</u>
(68,316)	1,170,069	64,040
<u>871,412</u>	<u>3,683,169</u>	<u>5,937</u>
<u>\$ 803,096</u>	<u>\$ 4,853,238</u>	<u>\$ 69,977</u>
\$ (500,652)	(3,856,661)	(4,448)
136,608	4,382,993	5,845
(355)	(405,800)	8,339
-	(120,143)	-
(5,824)	90,958	-
(240)	(240)	2,923
(4,252)	22,787	-
324	33,312	(4,985)
(27)	(27)	-
43	43	-
(317)	(3,966)	-
<u>\$ (374,692)</u>	<u>\$ 143,256</u>	<u>\$ 7,674</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, 2013

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, 2013

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 discrete 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 also 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. The Housing Authority provides housing units to the residents of the City of Tucumcari as a departments of the City. Complete financial statements for the department, including the financial data schedule, may be obtained at the department's office: Tucumcari Housing Authority, 323 E Smith Ave., Tucumcari, New Mexico 88401.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position 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.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

Deferred outflows of resources – a consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

Deferred inflows of resources – an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Net position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

The Statement of Net Position 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 Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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 *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 *Golf Course Capital Improvement Project Capital Project Fund* is used to account 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.

The *Lodger's Tax / GRT Series 2002 Debt Service Fund* is used 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.

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, 2013

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 Position 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, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position 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 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the city may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. 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, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position 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, 2013, 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 position. 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, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Net Position 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 17.

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

- a. Net investment 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 Position: Consist of net position 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 position reports \$2,662,214 of restricted net position.
- c. Unrestricted Net Position: All other net position 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 position 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, Debt Service Funds, and Capital Projects.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 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 \$250,0000 are covered through the FDIC.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 20132

NOTE 3. Deposits & Investments

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	NMFA
Total amounts of deposits*	\$ 2,025,416	\$ 5,192,368	\$ 790,290	\$ 866,683
FDIC Coverage	(250,000)	(250,000)	(250,000)	(250,000)
Total uninsured public funds	<u>\$ 1,775,416</u>	<u>\$ 4,942,368</u>	<u>\$ 540,290</u>	<u>—</u>
Pledge collateral held by pledging bank's trust department or agent in City's name				
	1,935,887	3,107,839	386,137	—
Uninsured and uncollateralized	<u>(160,471)</u>	<u>1,834,529</u>	<u>(154,153)</u>	<u>—</u>
Collateral requirement (50% of uninsured public funds)	887,708	2,471,184	270,145	
Pledged collateral	1,935,887	3,107,839	386,137	—
Under (Over) collateralized	<u>\$(1,048,179)</u>	<u>\$(636,655)</u>	<u>\$(115,992)</u>	<u>—</u>
	Everyone's Credit Union	Tucumcari Federal Savings & Loan	NM Bank and Trust	Total
Total amounts of deposits*	\$ 87,362	\$ 61,649	\$ 116,709	\$ 9,140,477
FDIC Coverage	(87,362)	(61,649)	116,709	(1,032,302)
Total uninsured public funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 7,258,074</u>
Pledge collateral held by pledging bank's trust department or agent in City's name				
	—	—	—	5,429,863
Uninsured and uncollateralized	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,519,905</u>
Collateral requirement (50% of uninsured public funds)				3,629,037
Pledged collateral	—	—	—	5,429,863
Under (Over) collateralized	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$(1,800,826)</u>

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

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. Cash & Investments (continued)

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, 2013, \$1,834,529 of \$9,023,768 was exposed to custodial credit risk because it was uninsured and the uncollateralized at June 30, 2013.

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, 2013, the investments in the U.S. Treasury Money Market mutual Funds are 100% of the City’s investment Portfolio.

NOTE 4. Receivables

Receivables as of June 30, 2013, are as follows:

	General Fund	Fire Districts Fund	1/8% Economic Development Tax Funds	Capital Project Funds
Property Taxes	\$ —	\$ —	\$ —	\$ —
Other Taxes	40,083	—	—	—
Intergovernmental	8,705	244,578	22,391	150,000
Miscellaneous	725,317	—	—	—
Net Receivables	<u>\$ 774,105</u>	<u>\$ 244,578</u>	<u>\$ 22,391</u>	<u>\$ 150,000</u>

	Golf Course Capital Imp. Fund	Total Non-Major Fund	Total Governmental Funds
Property Taxes	\$ —	\$ —	\$ —
Other Taxes	—	—	40,083
Intergovernmental	—	2,580	428,254
Miscellaneous	14,775	195,011	935,103
Net Receivables	<u>\$ 14,775</u>	<u>\$ 197,591</u>	<u>\$ 1,403,440</u>

	Airport Fund	Joint Utility Fund	Solid Waste Fund	Housing Authority Fund	Total Enterprise Funds
Intergovernmental	\$ —	\$ —	\$ 11,194	\$ 7,593	\$ 18,787
Other	59,968	280,286	192,569	—	532,823
Customers, Gross Allowance	—	392,831	143,444	6,015	542,290
	—	—	—	(580)	(580)
Net Receivables	<u>\$ 59,968</u>	<u>\$ 673,117</u>	<u>\$ 347,207</u>	<u>\$ 13,028</u>	<u>\$ 1,093,320</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:

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CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

Transfers from the General Fund to:	
Recreation Fund	\$ 209,420
EMS Fund	97,489
Airport Fund	61,525
Debt Service	43,608
Corrections Fund	37,872
Fire/Emergency Management Fund	<u>16,528</u>
Total transfers from the General Fund	<u>\$ 466,442</u>
Transfers from the Lodger's Tax Executive Fund to:	
Lodger's Tax Promotion Fund	\$ 255,964
Debt Service	155,329
Capital	<u>5,637</u>
Total transfers from the Lodger's Tax Executive Fund	<u>\$ 416,930</u>
Transfers from the Lodger's Tax Promotion Fund to:	
Convention Center Operations & Maintenance Fund	<u>\$ 149,437</u>
Total transfers from the Lodger's Tax Promotion Fund	<u>\$ 149,437</u>
Transfers to the Joint Utility Fund to:	
Joint Utility Fund Internal	\$ (409,455)
General Fund Internal	<u>(4,462)</u>
Total transfers to the Joint Utility Fund	<u>\$ (413,917)</u>
Transfers from the Joint Utility Fund to:	
Debt Service Fund	\$ 318,281
Joint Utility Fund Internal	<u>119,473</u>
Total transfers from the Joint Utility Fund	<u>\$ 437,754</u>
Total Transfers	<u>\$ 1,059,646</u>

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances of June 30, 2013 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Major Funds		
General Fund	\$ —	\$ 10,826
Airport Fund	<u>6,011</u>	<u>—</u>
Nonmajor Funds		
E-911 Fund	<u>4,815</u>	<u>—</u>
Total	<u>\$ 10,826</u>	<u>\$ 10,826</u>

All interfund balances are short-term in nature.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2013 follows:

Capital Assets used in Governmental Activities:	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Capital assets not depreciated					
Land	\$ 2,237,228	\$ —	\$ —	\$ 110,000	\$ 2,347,228
Art	5,000	—	—	5,500	10,500
Construction in Progress	<u>4,227,332</u>	<u>79,986</u>	<u>—</u>	<u>(1,120,461)</u>	<u>3,186,857</u>
Total not being depreciated	<u>\$ 6,469,560</u>	<u>\$ 79,986</u>	<u>\$ —</u>	<u>\$ (1,004,961)</u>	<u>\$ 5,544,585</u>
	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Capital assets being depreciated					
Buildings & Improvements	\$ 10,141,064	\$ 265,898	\$ —	\$ 806,389	\$ 11,213,351
Infrastructure	1,208,066	231,265	—	4,228,667	5,667,998
Machinery & equipment	1,801,382	185,750	—	1,138,790	3,125,922
Vehicles	<u>2,599,295</u>	<u>67,286</u>	<u>(23,933)</u>	<u>—</u>	<u>2,642,648</u>
Total being depreciated	<u>\$ 15,749,807</u>	<u>\$ 750,199</u>	<u>\$ (23,933)</u>	<u>\$ 6,173,846</u>	<u>\$ 22,649,919</u>
Total capital assets	<u>\$ 22,219,367</u>	<u>\$ 830,185</u>	<u>\$ (23,933)</u>	<u>\$ 5,168,885</u>	<u>\$ 28,194,504</u>
Less accumulated depreciation					
Buildings & Improvements	\$ 6,914,795	\$ 649,043	\$ —	\$ 806,389	\$ 8,370,227
Infrastructure	241,841	197,409	—	5,670	444,920
Machinery & equipment	1,283,099	198,241	—	450,538	1,931,878
Vehicles	<u>2,108,863</u>	<u>52,758</u>	<u>(23,933)</u>	<u>—</u>	<u>2,137,688</u>
Total accumulated depreciation	<u>\$ 10,548,598</u>	<u>\$ 1,097,451</u>	<u>\$ (23,933)</u>	<u>\$ 1,262,597</u>	<u>\$ 12,884,713</u>
Net capital assets	<u>\$ 11,670,769</u>	<u>\$ (267,266)</u>	<u>\$ —</u>	<u>\$ 3,906,288</u>	<u>\$ 15,309,791</u>

Depreciation expense for the year ended June 30, 2013 was charged to governmental activities as follows:

General Government	\$ 253,849
Public Safety	444,347
Public Works	67,125
Culture and Recreation	<u>332,130</u>
Total	<u>\$ 1,097,451</u>

Capital Assets used in Business-Type Activities:	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance <u>June 30, 2013</u>
Capital assets not depreciated					
Land	\$ 1,530,619	\$ —	\$ —	\$ (218,790)	\$ 1,311,829
Construction in Progress	<u>16,122,861</u>	<u>157,871</u>	<u>—</u>	<u>(15,462,115)</u>	<u>818,617</u>
Total not being depreciated	<u>\$ 17,653,480</u>	<u>\$ 157,871</u>	<u>\$ —</u>	<u>\$ (15,680,905)</u>	<u>\$ 2,130,446</u>
Capital assets being depreciated					
Buildings & Improvements	\$ 22,086,399	\$ 77,093	\$ (3,350,250)	\$ (717,339)	\$ 18,095,903
Infrastructure	9,708,230	—	—	9,325,906	19,034,136
Machinery & equipment	5,482,985	308,491	(19,662)	1,811,752	7,583,566
Vehicles	<u>953,217</u>	<u>418,136</u>	<u>—</u>	<u>91,701</u>	<u>1,463,054</u>
Total being depreciated	<u>\$ 38,230,831</u>	<u>\$ 803,720</u>	<u>\$ (3,369,912)</u>	<u>\$ 10,512,020</u>	<u>\$ 46,176,659</u>
Total capital assets	<u>\$ 55,884,311</u>	<u>\$ 961,591</u>	<u>\$ (3,369,912)</u>	<u>\$ (5,168,885)</u>	<u>\$ 48,307,105</u>

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CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. Capital Assets (continued)

Less accumulated depreciation					
Buildings & Improvements	\$ (14,566,386)	\$ (3,808,599)	\$ 3,350,260	\$ 3,539,199	\$ 11,485,526
Infrastructure	(1,058,231)		—	(576,756)	1,634,987
Machinery & Equipment	(3,818,393)	(546,133)	7,865	631,180	3,725,481
Vehicles	<u>(997,226)</u>	<u>(28,270)</u>		<u>(45,602)</u>	<u>1,071,098</u>
Total accumulated depreciation	<u>\$ (20,440,236)</u>	<u>\$ (4,383,002)</u>	<u>\$ 3,358,125</u>	<u>\$ 3,548,021</u>	<u>\$ 17,917,092</u>
Net capital assets	<u>\$ 35,444,075</u>	<u>\$ (3,421,411)</u>	<u>\$ (11,787)</u>	<u>\$ (1,620,864)</u>	<u>\$ 30,390,013</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2013 was \$4,383,002.

NOTE 7. Long-term Debt

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Governmental Activities					
Bonds payable	\$ 1,245,000	\$ —	\$ 130,000	\$ 1,115,000	\$ 131,000
Notes payable	917,711	—	85,154	832,557	86,436
Compensated Absences	<u>111,240</u>	<u>217,073</u>	<u>101,000</u>	<u>227,313</u>	<u>18,185</u>
Total Long-Term Debt	<u>\$ 2,273,951</u>	<u>\$ 217,073</u>	<u>\$ 316,154</u>	<u>\$ 2,174,870</u>	<u>\$ 235,621</u>

Interest expense paid on long-term debt for governmental activities totaled \$49,575 for the year ended June 30, 2013.

Bonds

At June 30, 2013, the City had the following bonds outstanding:

Municipal Gross Receipts/Lodger's Tax Refunding Bonds - Series 2011:

\$1,370,000 serial bonds, due in annual installments through June 1, 2021, bearing interest from 4.25% to 4.75%. The balance is term bonds in the amount of \$1,245,000. 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 issued refunded the 2002 Bond Series. The net present value of savings generated by the refunding is \$121,213.

The annual requirements to amortize the Bonds as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30, 2013	Principal	Interest	Total Debt Service
2014	131,000	24,399	155,399
2015	133,000	23,011	156,011
2016	134,000	21,135	155,135
2017	137,000	18,857	155,857
2018	139,000	16,076	155,076
2019-2023	<u>441,000</u>	<u>26,616</u>	<u>467,616</u>
Total	<u>\$ 1,115,000</u>	<u>\$ 130,094</u>	<u>\$ 1,245,094</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. Long-term Debt (continued)

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 \$14,620.

NMFA Fire Pumper Loan

Dated July 24, 2009 in amount \$282,415. 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.

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 \$35,838.

Fiscal Year Ending June 30, 2013	Principal	Interest	Total Debt Service
2014	86,436	23,061	109,497
2015	87,864	21,723	109,587
2016	36,943	20,172	57,115
2017	37,855	19,354	57,209
2018	38,824	18,481	57,305
2019-2023	210,964	64,705	275,669
2024-2028	214,376	51,563	265,939
2029-2033	119,295	16,042	135,337
Total	<u>\$ 832,557</u>	<u>\$ 235,101</u>	<u>\$ 1,067,658</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, 2013:

Business-Type Activities	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Bonds Payable	\$ 4,745,287	\$ —	\$ 68,223	\$ 4,677,064	\$ 67,250
Notes Payable	1,380,384	620,393	62,425	1,938,352	63,769
Landfill Closure & Post Closure	4,234,793	—	—	4,234,793	—
Compensated Absences	<u>53,346</u>	<u>56,092</u>	<u>60,058</u>	<u>49,380</u>	<u>4,207</u>
Total Long-Term Debt	<u>\$ 10,413,810</u>	<u>\$ 676,485</u>	<u>\$ 190,706</u>	<u>\$ 10,899,589</u>	<u>\$ 135,226</u>

Interest expense paid on long-term debt for business-type activities totaled \$223,604 for the year ended June 30, 2013.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. Long-term Debt (continued)

Bonds

At June 30, 2013, 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.

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 \$564,486 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, 2013, 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, 2013, including interest payments are as follows:

Fiscal Year Ending June 30, 2013	Principal	Interest	Total Debt Service
2014	67,250	132,652	199,902
2015	69,250	130,670	199,920
2016	72,280	128,788	201,068
2017	74,450	126,546	200,996
2018	76,650	124,399	201,049
2019-2023	428,490	586,672	1,015,162
2024-2028	510,710	519,619	1,030,329
2029-2033	609,920	439,433	1,049,353
2034-2038	730,030	343,402	1,073,432
2039-2043	873,950	228,572	1,102,522
2044-2048	960,000	98,179	1,058,179
2049-2053	204,084	7,299	211,383
Total	<u>\$ 4,677,064</u>	<u>\$ 2,866,231</u>	<u>\$ 7,543,295</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. Long-term Debt (continued)

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.

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, 2013, 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.

Fiscal Year Ending June 30, 2013	Principal	Interest	Total Debt Service
2014	63,769	14,136	77,905
2015	95,564	12,741	108,305
2016	97,257	15,578	112,835
2017	99,071	9,515	108,586
2018	101,018	7,709	108,727
2019-2023	482,948	6,443	489,391
2024-2028	460,730	—	460,730
2029-2033	506,235	—	506,235

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. Long-term Debt (continued)

2034-2038	<u>31,760</u>	<u>—</u>	<u>31,760</u>
Total	<u>\$ 1,938,352</u>	<u>\$ 66,122</u>	<u>\$ 2,004,474</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.

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, 2013 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, 2012. 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, 2013, 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, 2013:

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 20133

NOTE 9. Other Required Individual Fund Disclosures (continued)

Major Funds

Golf Course Capital Improvements Fund	\$ <u>28,661</u>
Total Major Funds	\$ <u>28,661</u>

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.

B. Excess of expenditures over appropriations:

There were no funds which exceeded approved budgetary authority for the year ended June 30, 2013.

C. Designated cash appropriations exceeded prior year available balances:

There were no funds which exceeded designated cash appropriations for the year ended June 30, 2013.

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 <http://www.pera.state.nm.us>

Funding Policy. Plan members are required to contribute 16.3% for law enforcement and fire protection employees and 9.15% for municipal employees (ranges from 3.83% to 16.65% depending upon the plan – i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. 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% (ranges from 7.0% to 25.72% depending upon the plan) of the gross salary of the covered employee. 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, 2013, 2012 and 2011 were \$316,612, \$324,989, and \$329,178, 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

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CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 20133

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

required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that established the required contributions of participating employers and their employees. 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), during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their annual salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013 the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1987, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

City of Tucumcari's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$61,707, \$58,069, and \$53,178 respectively, which equal the required contributions for each year.

NOTE 12. Commitments

The City had various construction and purchase commitments totaling approximately \$620,000 in the governmental funds for the water project as of June 30, 2013. The funding to cover the various commitments was both city expenditures and grants.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 15 Subsequent Accounting Standard Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for financial statement periods beginning after December 15, 2013. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, which is effective for financial statement periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which is effective for financial statements for periods beginning after December 15, 2011. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

NOTE 16 Prior period adjustment

Prior period adjustment within the governmental funds totaling \$5,128,164 was required due to the implementation of GASB 65 by the District and due to reclassifications in capital assets between governmental activities and business-type activities. GASB 65 required reclassification of bond issuance and premiums totaling \$22,500 and \$18,221 as can be illustrated on the 2012 financial statements. Capital asset transfers between governmental and business-type activities totaled \$5,168,885.

Prior period adjustment within the proprietary funds totaled (\$1,728,081). Capital asset transfers and adjustments totaled (\$5,168,885) and \$3,440,804 (\$3,350,260 adjustment to buildings and improvements and \$90,544 adjustment to other categories) to adjust the general ledger to the City's capital asset record listing.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 17 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, 2013

NOTE 17. Fund Balance (continued)

	General Fund	Fire Districts Fund	1/8% Economic Development Tax Fund	Capital Projects Fund	Golf Course Capital Improvements	Lodger's Tax/ GRT Series 2002 Fund	Other Governmental Funds
Fund balances							
Nonspendable							
Prepaid Items	\$ 114,265	\$ -	\$ 45,854	\$ -	\$ -	\$ -	\$ -
Restricted							
Capital Projects	-	-	509,112	159,612	-	-	306,788
Debt Service	-	-	-	-	-	181,077	55,338
Fire Departments	-	684,159	-	-	-	-	916
Roadways	-	-	-	-	-	-	65,995
Law Enforcement	-	-	-	-	-	-	61,597
Recreation	-	-	-	-	-	-	54,793
Emergency Services	-	-	-	-	-	-	28,644
Convention Center	-	-	-	-	-	-	45,901
Promotion	-	-	-	-	-	-	374,269
Education	-	-	-	-	-	-	1,058
Senior Citizens	-	-	-	-	-	-	115,762
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	2,449,934	-	-	-	(28,661)	-	-
<i>Total fund balances</i>	<u>\$ 2,564,199</u>	<u>\$ 684,159</u>	<u>\$ 554,966</u>	<u>159,612</u>	<u>(28,661)</u>	<u>181,077</u>	<u>\$ 1,111,061</u>

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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, 2013

Statement A-1

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
Assets				
<i>Current:</i>				
Cash and cash equivalents	\$ 562,674	\$ 300,281	\$ 55,338	\$ 918,293
Short term investments	-	-	-	-
Accounts receivable				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	2,580	-	-	2,580
Miscellaneous	189,011	6,000	-	195,011
Interfund receivable	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>\$ 754,265</u>	<u>\$ 306,281</u>	<u>\$ 55,338</u>	<u>\$ 1,115,884</u>
Liabilities and fund balances				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Customer deposits payable	(75)	-	-	(75)
Other accrued liabilities	83	-	-	83
Interfund payable	4,815	-	-	4,815
<i>Total liabilities</i>	<u>4,823</u>	<u>-</u>	<u>-</u>	<u>4,823</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	749,442	306,281	55,338	1,111,061
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>749,442</u>	<u>306,281</u>	<u>55,338</u>	<u>1,111,061</u>
<i>Total liabilities and fund balances</i>	<u>\$ 754,265</u>	<u>\$ 306,281</u>	<u>\$ 55,338</u>	<u>\$ 1,115,884</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, 2013

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	806,953	-	-	806,953
State and local sources	639,694	325,737	-	965,431
Federal sources	140,866	192,020	-	332,886
Licenses and fees	496,087	-	-	496,087
Charges for services	14,768	-	-	14,768
Investment income	73	5	(424)	(346)
Miscellaneous	139,124	1,250	-	140,374
<i>Total revenues</i>	<u>2,237,565</u>	<u>519,012</u>	<u>(424)</u>	<u>2,756,153</u>
<i>Expenditures:</i>				
Current				
General Government	124,814	-	1,418	126,232
Public safety	842,263	-	-	842,263
Culture and recreation	436,536	-	-	436,536
Health and welfare	468,121	-	-	468,121
Education	-	-	-	-
Public works	262,117	-	-	262,117
Capital outlay	68,527	393,733	-	462,260
Debt service				
Principal	-	-	21,534	21,534
Interest	-	-	20,233	20,233
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,202,378</u>	<u>393,733</u>	<u>43,185</u>	<u>2,639,296</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>35,187</u>	<u>125,279</u>	<u>(43,609)</u>	<u>116,857</u>
<i>Other financing sources (uses):</i>				
Proceeds of bond/note issuance	-	-	-	-
Operating transfers in	766,710	48,110	43,608	858,428
Operating transfers (out)	(566,367)	-	-	(566,367)
<i>Total other financing sources (uses)</i>	<u>200,343</u>	<u>48,110</u>	<u>43,608</u>	<u>292,061</u>
<i>Net change in fund balances</i>	235,530	173,389	(1)	408,918
<i>Fund balances - beginning of year</i>	<u>513,912</u>	<u>132,892</u>	<u>55,339</u>	<u>702,143</u>
<i>Fund balances - end of year</i>	<u>\$ 749,442</u>	<u>\$ 306,281</u>	<u>\$ 55,338</u>	<u>\$ 1,111,061</u>

The accompanying notes are an integral part of these financial statements

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NONMAJOR SPECIAL REVENUE FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

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.

Gasoline Tax Fund

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.

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

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.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Lodger's Tax Executive Fund</u>	<u>Lodger's Tax Promotion Fund</u>	<u>Fire/Emergency Management Fund</u>
ASSETS			
Current:			
Cash and cash equivalents	\$ 243,526	\$ 75,022	\$ -
Short term investments	-	-	-
Accounts receivable			
Other taxes	-	-	-
Intergovernmental	-	-	-
Other receivables	55,721	-	916
Interfund balances	-	-	-
Prepaid expenses	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total current assets</i>	<u>\$ 299,247</u>	<u>\$ 75,022</u>	<u>\$ 916</u>
 LIABILITIES AND FUND BALANCE			
<i>Current Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Customer deposits payable	-	-	-
Other accrued liabilities	-	-	-
Interfund balances	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total current liabilities</i>	<hr/> -	<hr/> -	<hr/> -
 <i>Fund balance:</i>			
Nonspendable	-	-	-
Restricted	299,247	75,022	916
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balance</i>	<u>299,247</u>	<u>75,022</u>	<u>916</u>
	<hr/>	<hr/>	<hr/>
<i>Total liabilities and fund balance</i>	<u>\$ 299,247</u>	<u>\$ 75,022</u>	<u>\$ 916</u>

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

<u>EMS Fund</u>	<u>Corrections Fund</u>	<u>Recreation Fund</u>	<u>Gas Tax Fund</u>	<u>Law Enforcement Grant Fund</u>
\$ (184)	\$ 1,945	\$ 35,074	\$ 23,881	\$ 507
-	-	19,719	-	-
-	-	-	42,114	-
-	-	-	-	-
27,433	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 27,249</u>	<u>\$ 1,945</u>	<u>\$ 54,793</u>	<u>\$ 65,995</u>	<u>\$ 507</u>
\$ -	\$ 83	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	83	-	-	-
-	-	-	-	-
27,249	1,862	54,793	65,995	507
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>27,249</u>	<u>1,862</u>	<u>54,793</u>	<u>65,995</u>	<u>507</u>
<u>\$ 27,249</u>	<u>\$ 1,945</u>	<u>\$ 54,793</u>	<u>\$ 65,995</u>	<u>\$ 507</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, 2013

	E-911 Fund	Traffic Safety Education and Enforcement Fund	Convention Center Operation and Maintenance Fund
ASSETS			
Current:			
Cash and cash equivalents	\$ 3,630	\$ 1,160	\$ 45,826
Short term investments	-	-	-
Accounts receivable			
Other taxes	-	-	-
Intergovernmental	2,580	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
	<u>6,210</u>	<u>1,160</u>	<u>45,826</u>
<i>Total current assets</i>	<u>\$ 6,210</u>	<u>\$ 1,160</u>	<u>\$ 45,826</u>
 LIABILITIES AND FUND BALANCE			
<i>Current Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Customer deposits payable	-	-	(75)
Other accrued liabilities	-	-	-
Due to other funds	4,815	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>4,815</u>	<u>-</u>	<u>(75)</u>
<i>Total current liabilities</i>	<u>4,815</u>	<u>-</u>	<u>(75)</u>
 <i>Fund balance:</i>			
Nonspendable	-	-	-
Restricted	1,395	1,160	45,901
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>1,395</u>	<u>1,160</u>	<u>45,901</u>
<i>Total fund balance</i>	<u>1,395</u>	<u>1,160</u>	<u>45,901</u>
<i>Total liabilities and fund balance</i>	<u>\$ 6,210</u>	<u>\$ 1,160</u>	<u>\$ 45,826</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
\$ 1,058	\$ 58,575	\$ 52,935	\$ 542,955
-	-	-	19,719
-	-	-	-
-	-	-	42,114
-	-	-	2,580
-	-	62,827	146,897
-	-	-	-
-	-	-	-
<u>\$ 1,058</u>	<u>\$ 58,575</u>	<u>\$ 115,762</u>	<u>\$ 754,265</u>
-	-	-	83
-	-	-	-
-	-	-	(75)
-	-	-	-
-	-	-	4,815
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,823</u>
-	-	-	-
1,058	58,575	115,762	749,442
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,058</u>	<u>58,575</u>	<u>115,762</u>	<u>749,442</u>
<u>\$ 1,058</u>	<u>\$ 58,575</u>	<u>\$ 115,762</u>	<u>\$ 754,265</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, 2013

	Lodger's Tax Executive Fund	Lodger's Tax Promotion Fund	Fire/Emergency Management Fund
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-
Other taxes	497,861	-	-
State grants	-	-	-
Federal grants	-	-	26,567
Licenses and fees	18,494	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	12,528
<i>Total revenues</i>	<u>516,355</u>	<u>-</u>	<u>39,095</u>
<i>Expenditures:</i>			
Current			
General Government	42,300	82,514	-
Public safety	-	-	55,723
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>42,300</u>	<u>82,514</u>	<u>55,723</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>474,055</u>	<u>(82,514)</u>	<u>(16,628)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in	-	255,964	16,528
Operating transfers (out)	(416,930)	(149,437)	-
<i>Total other financing sources (uses)</i>	<u>(416,930)</u>	<u>106,527</u>	<u>16,528</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	57,125	24,013	(100)
<i>Fund balances - beginning of year</i>	<u>242,122</u>	<u>51,009</u>	<u>1,016</u>
<i>Fund balances - end of year</i>	<u>\$ 299,247</u>	<u>\$ 75,022</u>	<u>\$ 916</u>

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

EMS Fund	Corrections Fund	Recreation Fund	Gas Tax Fund	Law Enforcement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	309,092	-
101,342	-	-	-	28,400
-	-	-	7,171	-
416,084	16,256	18,984	-	-
-	-	-	-	-
-	-	(7)	-	-
80	-	10,374	-	-
<u>517,506</u>	<u>16,256</u>	<u>29,351</u>	<u>316,263</u>	<u>28,400</u>
-	-	-	-	-
558,139	49,593	-	-	2,298
-	-	239,407	-	-
-	-	-	-	-
-	-	-	262,117	-
27,345	-	-	7,171	26,145
-	-	-	-	-
-	-	-	-	-
<u>585,484</u>	<u>49,593</u>	<u>239,407</u>	<u>269,288</u>	<u>28,443</u>
<u>(67,978)</u>	<u>(33,337)</u>	<u>(210,056)</u>	<u>46,975</u>	<u>(43)</u>
-	-	-	-	-
97,489	37,872	209,420	-	-
-	-	-	-	-
<u>97,489</u>	<u>37,872</u>	<u>209,420</u>	<u>-</u>	<u>-</u>
29,511	4,535	(636)	46,975	(43)
<u>(2,262)</u>	<u>(2,673)</u>	<u>55,429</u>	<u>19,020</u>	<u>550</u>
<u>\$ 27,249</u>	<u>\$ 1,862</u>	<u>\$ 54,793</u>	<u>\$ 65,995</u>	<u>\$ 507</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, 2013

	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	158,583	-	-
Federal grants	-	-	-
Licenses and fees	-	-	26,266
Charges for services	-	7	14,761
Investment income	-	-	-
Miscellaneous	-	-	2,781
<i>Total revenues</i>	<u>158,583</u>	<u>7</u>	<u>43,808</u>
<i>Expenditures:</i>			
Current			
General Government	-	-	-
Public safety	158,448	-	-
Culture and recreation	-	-	197,129
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>158,448</u>	<u>-</u>	<u>197,129</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>135</u>	<u>7</u>	<u>(153,321)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in (out)	-	-	149,437
Operating transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>149,437</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	135	7	(3,884)
<i>Fund balances - beginning of year</i>	<u>1,260</u>	<u>1,153</u>	<u>49,785</u>
<i>Fund balances - end of year</i>	<u>\$ 1,395</u>	<u>\$ 1,160</u>	<u>\$ 45,901</u>

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

John D. Hoffman Fund	Police Narcotics Fund	Senior Citizens Fund	Total
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	806,953
-	-	351,369	639,694
-	-	107,128	140,866
-	-	-	496,084
-	-	-	14,768
1	79	-	73
-	45,775	67,589	139,127
<u>1</u>	<u>45,854</u>	<u>526,086</u>	<u>2,237,565</u>
-	-	-	124,814
-	18,062	-	842,263
-	-	-	436,536
-	-	468,121	468,121
-	-	-	262,117
-	-	7,866	68,527
-	-	-	-
-	-	-	-
-	18,062	475,987	2,202,378
<u>1</u>	<u>27,792</u>	<u>50,099</u>	<u>35,187</u>
-	-	-	-
-	-	-	766,710
-	-	-	(566,367)
-	-	-	200,343
1	27,792	50,099	235,530
<u>1,057</u>	<u>30,783</u>	<u>65,663</u>	<u>513,912</u>
<u>\$ 1,058</u>	<u>\$ 58,575</u>	<u>\$ 115,762</u>	<u>\$ 749,442</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 477,500	\$ 511,929	\$ 34,429
Intergovernmental	-	-	-	-
Licenses and fees	-	83,000	82,900	(100)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>560,500</u>	<u>594,829</u>	<u>34,329</u>
<i>Expenditures:</i>				
Current				
General Government	-	43,277	43,277	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,277</u>	<u>43,277</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>517,223</u>	<u>551,552</u>	<u>34,329</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(417,007)	(416,930)	77
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(100,216)	-	100,216
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(517,223)</u>	<u>(416,930)</u>	<u>100,293</u>
<i>Net change in fund balances</i>	-	-	134,622	134,622
<i>Fund balances - beginning of year</i>	-	-	108,904	108,904
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,526</u>	<u>\$ 243,526</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(78,474)	
Expenditure accruals			977	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 57,125</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, 2013

	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	-	82,681	82,514	167
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	82,681	82,514	167
<i>Excess (deficiency) of revenues over expenditures</i>	-	(82,681)	(82,514)	167
<i>Other financing sources (uses):</i>				
Operating transfers in	-	255,965	255,964	(1)
Operating transfers (out)	-	(149,437)	(149,437)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(23,847)	-	23,847
<i>Total other financing sources (uses)</i>	-	82,681	106,527	23,846
<i>Net change in fund balances</i>	-	-	24,013	24,013
<i>Fund balances - beginning of year</i>	-	-	51,009	51,009
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 75,022	\$ 75,022
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 24,013	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	26,567	26,567	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	14,229	13,417	(812)
<i>Total revenues</i>	-	40,796	39,984	(812)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	56,550	56,512	38
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	56,550	56,512	38
<i>Excess (deficiency) of revenues over expenditures</i>	-	(15,754)	(16,528)	(774)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	16,528	16,528	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(774)	-	774
<i>Total other financing sources (uses)</i>	-	15,754	16,528	774
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(889)	
Expenditure accruals			789	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (100)	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	101,342	101,342	-
Licenses and fees	2	400,850	400,849	(1)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	3,563	80	(3,483)
<i>Total revenues</i>	<u>2</u>	<u>505,755</u>	<u>502,271</u>	<u>(3,484)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	(13,597)	575,897	572,414	3,483
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	27,345	27,345	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>(13,597)</u>	<u>603,242</u>	<u>599,759</u>	<u>3,483</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,599</u>	<u>(97,487)</u>	<u>(97,488)</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	97,489	97,489	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(13,599)	(2)	-	2
<i>Total other financing sources (uses)</i>	<u>(13,599)</u>	<u>97,487</u>	<u>97,489</u>	<u>2</u>
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	(185)	(185)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (184)</u>	<u>\$ (184)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			15,235	
Expenditure accruals			14,275	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 29,511</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	19,628	16,256	(3,372)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>19,628</u>	<u>16,256</u>	<u>(3,372)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	54,278	54,128	150
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>54,278</u>	<u>54,128</u>	<u>150</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(34,650)</u>	<u>(37,872)</u>	<u>(3,222)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	34,650	37,872	3,222
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>34,650</u>	<u>37,872</u>	<u>3,222</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,945	1,945
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,945</u>	<u>\$ 1,945</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			4,535	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 4,535</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 6	\$ -	\$ (6)
Intergovernmental	-	-	-	-
Licenses and fees	-	18,091	18,984	893
Charges for services	-	-	-	-
Investment income	-	-	(7)	(7)
Miscellaneous	-	10,374	10,374	-
<i>Total revenues</i>	<u>-</u>	<u>28,471</u>	<u>29,351</u>	<u>880</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	239,493	238,770	723
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>239,493</u>	<u>238,770</u>	<u>723</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(211,022)</u>	<u>(209,419)</u>	<u>1,603</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	211,022	209,420	(1,602)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>211,022</u>	<u>209,420</u>	<u>(1,602)</u>
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	54,792	54,792
<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			(637)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (636)</u>	

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

STATE OF NEW MEXICO

Statement B-9

CITY OF TUCUMCARI

GAS 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ 292,098	\$ 266,978	\$ (25,120)
Intergovernmental	0	7,171	7,171	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>299,269</u>	<u>274,149</u>	<u>(25,120)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	273,947	272,636	1,311
Capital outlay	-	7,171	7,171	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>281,118</u>	<u>279,807</u>	<u>1,311</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>18,151</u>	<u>(5,658)</u>	<u>(23,809)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(18,151)	-	18,151
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(18,151)</u>	<u>-</u>	<u>18,151</u>
<i>Net change in fund balances</i>	-	-	(5,658)	(5,658)
<i>Fund balances - beginning of year</i>	-	-	29,539	29,539
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,881</u>	<u>\$ 23,881</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			42,114	
Expenditure accruals			10,519	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 46,975</u>	

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

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	0	28,400	28,400	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>28,400</u>	<u>28,400</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	2,400	2,298	102
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	26,550	26,145	405
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,950</u>	<u>28,443</u>	<u>507</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(550)</u>	<u>(43)</u>	<u>507</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	550	-	(550)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>550</u>	<u>-</u>	<u>(550)</u>
<i>Net change in fund balances</i>	-	-	(43)	(43)
<i>Fund balances - beginning of year</i>	-	-	550	550
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507</u>	<u>\$ 507</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (43)</u>	

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

STATE OF NEW MEXICO

Statement B-11

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	156,003	156,003	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>156,003</u>	<u>156,003</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	158,448	158,448	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>158,448</u>	<u>158,448</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,445)</u>	<u>(2,445)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	2,445	-	(2,445)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,445</u>	<u>-</u>	<u>(2,445)</u>
<i>Net change in fund balances</i>	-	-	(2,445)	(2,445)
<i>Fund balances - beginning of year</i>	-	-	1,260	1,260
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,185)</u>	<u>\$ (1,185)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			2,580	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 135</u>	

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

STATE OF NEW MEXICO

Statement B-12

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	25	7	(18)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25</u>	<u>7</u>	<u>(18)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	25	-	25
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</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>	-	-	7	7
<i>Fund balances - beginning of year</i>	-	-	1,153	1,153
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,160</u>	<u>\$ 1,160</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</u>	

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

STATE OF NEW MEXICO

Statement B-13

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	28,764	27,281	(1,483)
Charges for services	-	16,000	15,346	(654)
Investment income	-	-	-	-
Miscellaneous	-	3,250	2,831	(419)
<i>Total revenues</i>	<u>-</u>	<u>48,014</u>	<u>45,458</u>	<u>(2,556)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	197,451	194,621	2,830
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>197,451</u>	<u>194,621</u>	<u>2,830</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(149,437)</u>	<u>(149,163)</u>	<u>274</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	149,437	149,437	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>149,437</u>	<u>149,437</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	274	274
<i>Fund balances - beginning of year</i>	-	-	45,552	45,552
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,826</u>	<u>\$ 45,826</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(1,650)	
Expenditure accruals			(2,508)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,884)</u>	

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

STATE OF NEW MEXICO

Statement B-14

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, 2013

	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	1	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(1)	-	1
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	1,057	1,057
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 1,058</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.

STATE OF NEW MEXICO

Statement B-15

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, 2013

	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	-	79	79	-
Miscellaneous	-	45,775	45,775	-
<i>Total revenues</i>	<u>-</u>	<u>45,854</u>	<u>45,854</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	18,062	18,062	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>18,062</u>	<u>18,062</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>27,792</u>	<u>27,792</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(27,792)	-	27,792
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(27,792)</u>	<u>-</u>	<u>27,792</u>
<i>Net change in fund balances</i>	-	-	27,792	27,792
<i>Fund balances - beginning of year</i>	-	-	30,783	30,783
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,575</u>	<u>\$ 58,575</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 27,792</u>	

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

STATE OF NEW MEXICO

Statement B-16

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	441,033	409,891	(31,142)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	67,352	65,781	(1,571)
<i>Total revenues</i>	<u>-</u>	<u>508,385</u>	<u>475,672</u>	<u>(32,713)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2	526,757	481,389	45,368
Public works	-	-	-	-
Capital outlay	-	7,866	7,866	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2</u>	<u>534,623</u>	<u>489,255</u>	<u>45,368</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2)</u>	<u>(26,238)</u>	<u>(13,583)</u>	<u>12,655</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2	26,238	-	(26,238)
<i>Total other financing sources (uses)</i>	<u>2</u>	<u>26,238</u>	<u>-</u>	<u>(26,238)</u>
<i>Net change in fund balances</i>	-	-	(13,583)	(13,583)
<i>Fund balances - beginning of year</i>	-	-	66,518	66,518
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,935</u>	<u>\$ 52,935</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			50,414	
Expenditure accruals			13,268	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 50,099</u>	

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

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NONMAJOR CAPITAL PROJECT FUNDS

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NONMAJOR CAPITAL PROJECTS FUNDS

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.

NMRDRC Capital Projects Fund

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.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2013

	<u>Lodger's Tax Acquisition</u>	<u>Convention Center Capital Improvements</u>	<u>Mapping</u>	<u>Capital Grant Fund</u>	<u>CDBG Grant Fund</u>
ASSETS					
Current:					
Cash and cash equivalents	\$ 946	\$ 7,918	\$ 30,758	\$ 5	\$ 148,598
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other receivables	-	-	-	-	-
Interfund balances	-	-	-	-	-
	<u>946</u>	<u>7,918</u>	<u>30,758</u>	<u>5</u>	<u>148,598</u>
<i>Total current assets</i>	<u>\$ 946</u>	<u>\$ 7,918</u>	<u>\$ 30,758</u>	<u>\$ 5</u>	<u>\$ 148,598</u>
LIABILITIES AND FUND BALANCE					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-
Interfund balances	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	946	7,918	30,758	5	148,598
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>946</u>	<u>7,918</u>	<u>30,758</u>	<u>5</u>	<u>148,598</u>
<i>Total fund balance</i>	<u>946</u>	<u>7,918</u>	<u>30,758</u>	<u>5</u>	<u>148,598</u>
<i>Total liabilities and fund balance</i>	<u>\$ 946</u>	<u>\$ 7,918</u>	<u>\$ 30,758</u>	<u>\$ 5</u>	<u>\$ 148,598</u>

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

Statement C-1

<u>NMRDRC Grant Fund</u>	<u>Total</u>
\$ 112,056	\$ 300,281
-	-
6,000	6,000
-	-
-	-
<u>\$ 118,056</u>	<u>\$ 306,281</u>
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>
-	-
-	-
-	-
118,056	306,281
-	-
-	-
-	-
<u>118,056</u>	<u>306,281</u>
<u>\$ 118,056</u>	<u>\$ 306,281</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 CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Lodger's Tax Acquisition	Convention Center Capital Improvements	Mapping	Capital Grant Fund	CDBG Grant Fund
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
State grants	86,123	-	223,561	-	-
Federal grants	-	-	-	-	192,020
Licenses and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	5	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>86,123</u>	<u>-</u>	<u>223,561</u>	<u>5</u>	<u>192,020</u>
<i>Expenditures:</i>					
Current					
General Government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	86,123	15,978	220,512	-	58,186
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>86,123</u>	<u>15,978</u>	<u>220,512</u>	<u>-</u>	<u>58,186</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(15,978)</u>	<u>3,049</u>	<u>5</u>	<u>133,834</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond/note	-	-	-	-	-
Operating transfers in	-	5,637	27,709	-	14,764
Operating transfers(out)	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>5,637</u>	<u>27,709</u>	<u>-</u>	<u>14,764</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>(10,341)</u>	<u>30,758</u>	<u>5</u>	<u>148,598</u>
<i>Fund balances - beginning of year</i>	<u>946</u>	<u>18,259</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 946</u>	<u>\$ 7,918</u>	<u>\$ 30,758</u>	<u>\$ 5</u>	<u>\$ 148,598</u>

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

Statement C-2

<u>NMRDRC Grant Fund</u>	<u>Total</u>
\$ -	\$ -
-	-
-	-
16,053	325,737
-	192,020
-	-
-	-
-	5
1,250	1,250
<u>17,303</u>	<u>519,012</u>
-	-
-	-
-	-
-	-
-	-
-	-
12,934	393,733
-	-
-	-
<u>12,934</u>	<u>393,733</u>
<u>4,369</u>	<u>125,279</u>
-	-
-	48,110
-	-
<u>-</u>	<u>48,110</u>
4,369	173,389
<u>113,687</u>	<u>132,892</u>
<u>\$ 118,056</u>	<u>\$ 306,281</u>

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

STATE OF NEW MEXICO

Statement C-3

CITY OF TUCUMCARI

CAPITAL PROJECTS 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	55,351	-	(55,351)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>55,351</u>	<u>-</u>	<u>(55,351)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	224,549	-	224,549
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>224,549</u>	<u>-</u>	<u>224,549</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(169,198)</u>	<u>-</u>	<u>169,198</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	9,613	9,612	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	159,585	-	(159,585)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>169,198</u>	<u>9,612</u>	<u>(159,586)</u>
<i>Net change in fund balances</i>	-	-	9,612	9,612
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,612</u>	<u>\$ 9,612</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			150,000	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 159,612</u>	

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

STATE OF NEW MEXICO

Statement C-4

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	12,600	(3,262)	(15,862)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,600</u>	<u>(3,262)</u>	<u>(15,862)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	6,419	-	6,419
Interest	-	1,246	1,246	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,665</u>	<u>1,246</u>	<u>6,419</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>4,935</u>	<u>(4,508)</u>	<u>(9,443)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(4,935)	-	4,935
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(4,935)</u>	<u>-</u>	<u>4,935</u>
<i>Net change in fund balances</i>	-	-	(4,508)	(4,508)
<i>Fund balances - beginning of year</i>	-	-	6,926	6,926
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,418</u>	<u>\$ 2,418</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (4,508)</u>	

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

STATE OF NEW MEXICO

Statement C-5

CITY OF TUCUMCARI

LODGER'S TAX AQUISITION 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	86,123	86,123	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>86,123</u>	<u>86,123</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	86,123	86,123	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>86,123</u>	<u>86,123</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>	-	-	946	946
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 946</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

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, 2013

	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	-	15,978	15,978	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	15,978	15,978	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(15,978)	(15,978)	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	5,637	5,637	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	10,341	-	(10,341)
<i>Total other financing sources (uses)</i>	-	15,978	5,637	(10,341)
<i>Net change in fund balances</i>	-	-	(10,341)	(10,341)
<i>Fund balances - beginning of year</i>	-	-	18,259	18,259
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 7,918	\$ 7,918
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (10,341)	

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

STATE OF NEW MEXICO

Statement C-7

CITY OF TUCUMCARI

MAPPING 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	658,628	851,430	192,803	(658,627)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>658,628</u>	<u>851,430</u>	<u>192,803</u>	<u>(658,627)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	220,512	220,512	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>220,512</u>	<u>220,512</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>658,628</u>	<u>630,918</u>	<u>(27,709)</u>	<u>(658,627)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	27,709	27,709	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(658,628)	(658,627)	-	658,627
<i>Total other financing sources (uses)</i>	<u>(658,628)</u>	<u>(630,918)</u>	<u>27,709</u>	<u>658,627</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	30,758	30,758
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,758</u>	<u>\$ 30,758</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			30,758	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 30,758</u>	

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

STATE OF NEW MEXICO

Statement C-8

CITY OF TUCUMCARI

CAPITAL 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	658,628	658,628	-	(658,628)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>658,628</u>	<u>658,628</u>	<u>-</u>	<u>(658,628)</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>658,628</u>	<u>658,628</u>	<u>-</u>	<u>(658,628)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(658,628)	(658,628)	-	658,628
<i>Total other financing sources (uses)</i>	<u>(658,628)</u>	<u>(658,628)</u>	<u>-</u>	<u>658,628</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	5	5
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			5	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>5</u>	

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

STATE OF NEW MEXICO

Statement C-9

CITY OF TUCUMCARI

CDBG 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	658,628	708,421	49,793	(658,628)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>658,628</u>	<u>708,421</u>	<u>49,793</u>	<u>(658,628)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	64,557	64,557	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>64,557</u>	<u>64,557</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>658,628</u>	<u>643,864</u>	<u>(14,764)</u>	<u>(658,628)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	14,764	14,764	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(658,628)	(658,628)	-	658,628
<i>Total other financing sources (uses)</i>	<u>(658,628)</u>	<u>(643,864)</u>	<u>14,764</u>	<u>658,628</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	148,598	148,598
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,598</u>	<u>\$ 148,598</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			142,227	
Expenditure accruals			6,371	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 148,598</u>	

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

STATE OF NEW MEXICO

Statement C-10

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	658,628	668,682	10,053	(658,629)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	1,250	1,250	-
<i>Total revenues</i>	<u>658,628</u>	<u>669,932</u>	<u>11,303</u>	<u>(658,629)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	12,934	12,934	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,934</u>	<u>12,934</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>658,628</u>	<u>656,998</u>	<u>(1,631)</u>	<u>(658,629)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(658,628)	(656,998)	-	656,998
<i>Total other financing sources (uses)</i>	<u>(658,628)</u>	<u>(656,998)</u>	<u>-</u>	<u>656,998</u>
<i>Net change in fund balances</i>	-	-	(1,631)	(1,631)
<i>Fund balances - beginning of year</i>	-	-	113,687	113,687
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,056</u>	<u>\$ 112,056</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			6,000	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 4,369</u>	

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

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NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds

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.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2013

Statement D-1

	GRT Police Building	Total
ASSETS		
Current:		
Short term investments	\$ 55,338	\$ 55,338
Accounts receivable		
Property taxes	-	-
Intergovernmental	-	-
Other receivables	-	-
Interfund balances	-	-
<i>Total current assets</i>	\$ 55,338	\$ 55,338
 LIABILITIES AND FUND BALANCE		
<i>Current Liabilities:</i>		
Accounts payable	\$ -	\$ -
Accrued payroll liabilities	-	-
Interfund balances	-	-
Deferred revenue	-	-
Deferred revenue - property taxes	-	-
<i>Total current liabilities</i>	-	-
 <i>Fund balance:</i>		
Nonspendable	-	-
Restricted	55,338	55,338
Committed	-	-
Assigned	-	-
Unassigned	-	-
<i>Total fund balance</i>	55,338	55,338
<i>Total liabilities and fund balance</i>	\$ 55,338	\$ 55,338

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

STATE OF NEW MEXICO

Statement D-2

CITY OF TUCUMCARI

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	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	(424)	(424)
Miscellaneous	-	-
<i>Total revenues</i>	<u>(424)</u>	<u>(424)</u>
<i>Expenditures:</i>		
Current		
General Government	1,418	1,418
Public safety	-	-
Culture and recreation	-	-
Health and welfare	-	-
Public works	-	-
Education	-	-
Capital outlay	-	-
Debt service		
Principal	21,534	21,534
Interest	20,233	20,233
<i>Total expenditures</i>	<u>43,185</u>	<u>43,185</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(43,609)</u>	<u>(43,609)</u>
<i>Other financing sources (uses):</i>		
Operating transfers in	43,608	43,608
Operating transfers (out)	-	-
<i>Total other financing sources (uses)</i>	<u>43,608</u>	<u>43,608</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(1)	(1)
<i>Fund balances - beginning of year</i>	<u>55,339</u>	<u>55,339</u>
<i>Fund balances - end of year</i>	<u>\$ 55,338</u>	<u>\$ 55,338</u>

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, 2013

	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	-	-	(6)	(6)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	(6)	(6)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	130,083	130,000	83
Interest	-	25,322	25,322	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	155,405	155,322	83
<i>Excess (deficiency) of revenues over expenditures</i>	-	(155,405)	(155,328)	77
<i>Other financing sources (uses):</i>				
Operating transfers in	-	155,405	155,329	(76)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	155,405	155,329	(76)
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	181,076	181,076
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 181,077	\$ 181,077
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 1	

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, 2013

	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	-	-	(424)	(424)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(424)</u>	<u>(424)</u>
<i>Expenditures:</i>				
Current				
General Government	-	1,522	1,418	104
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	20,837	21,534	(697)
Interest	-	21,249	20,233	1,016
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,608</u>	<u>43,185</u>	<u>423</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(43,608)</u>	<u>(43,609)</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	43,608	43,608	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>43,608</u>	<u>43,608</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1)	(1)
<i>Fund balances - beginning of year</i>	-	-	55,339	55,339
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,338</u>	<u>\$ 55,338</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.

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR THE YEAR ENDED JUNE 30, 2013

Security Description	CUSIP Number	Fair Market Value	Maturity Date	Name and Location of Safekeeper
Wells Fargo				
FN AH0006 4.000%	3138A1AG6	72,794	12/1/2040	Bank of New York Mellon
FN AH0007 4.000%	3138A1AH4	7,371	12/1/2040	Bank of New York Mellon
FN AH0563 3.000%	3138A1TV3	39,152	12/1/2025	Bank of New York Mellon
FN AH0946 4.000%	3138A2BQ1	51,467	12/1/2040	Bank of New York Mellon
FN AH0953 4.500%	3138A2BX6	114,248	12/1/2040	Bank of New York Mellon
FN AH1831 4.000%	3138A3A98	21,887	12/1/2040	Bank of New York Mellon
FN AH3231 3.000%	3138A4SV8	43,818	2/1/2026	Bank of New York Mellon
FN AH8825 4.500%	3138AAYX3	91,066	3/1/2041	Bank of New York Mellon
FN AH9937 4.500%	3138ACBF3	11,616	5/1/2041	Bank of New York Mellon
FN AI6897 3.000%	3138ALUX3	6,064	10/1/2026	Bank of New York Mellon
FN AJ3737 3.000%	3138AVEK7	83,654	11/1/2026	Bank of New York Mellon
FN AJ3790 3.000%	3138AVF83	6,805	11/1/2026	Bank of New York Mellon
FN AJ50007 3.000%	3138AWR54	3,395	11/1/2026	Bank of New York Mellon
FN AJ5475 3.000%	3138AXCM1	18,086	10/1/2026	Bank of New York Mellon
FN AJ9148 3.000%	3138E2EW1	45,014	12/1/2026	Bank of New York Mellon
FN AK1225 3.500%	3138E5LF3	9,351	3/1/2042	Bank of New York Mellon
FN AL0604 3.000%	3138EGU69	505,874	8/1/2026	Bank of New York Mellon
FN AP2763 3.000%	3138M6B97	47,476	11/1/2042	Bank of New York Mellon
FN AP7921 3.000%	3138MBYT7	36,756	9/1/2042	Bank of New York Mellon
FN AQ9185 3.000%	3138MRF30	9,613	1/1/2043	Bank of New York Mellon
FN AQ9193 3.000%	3138MRGB1	9,719	1/1/2043	Bank of New York Mellon
FN AQ9991 3.000%	3138MSC56	4,826	2/1/2043	Bank of New York Mellon
FN AR3387 3.000%	3138W0XR5	19,430	1/1/2043	Bank of New York Mellon
FN AR9199 3.000%	3138W7GH1	38,877	3/1/2043	Bank of New York Mellon
FN AR9213 3.000%	3138W7GX6	72,887	3/1/2043	Bank of New York Mellon
FN AT2724 3.000%	3138WQA28	9,781	5/1/2043	Bank of New York Mellon
FN AB3578 4.000%	31416Y6Q6	19,976	9/1/2041	Bank of New York Mellon
FN AB7505 3.000%	31417EKT7	33,701	1/1/2043	Bank of New York Mellon
FN AB7507 3.000%	31417EKV2	4,833	1/1/2043	Bank of New York Mellon
FN AB7730 3.000%	31417ESU6	100,939	1/1/2043	Bank of New York Mellon
FN MA0934 3.000%	31418ABC1	959,991	11/1/2026	Bank of New York Mellon
FN AE0215 4.000%	31419AGZ4	10,228	12/1/2039	Bank of New York Mellon
FN AE8464 3.000%	31419KLQ6	89,591	11/1/2025	Bank of New York Mellon
FG G08525, 3.000%	3128MJSP6	507,552	5/1/2043	Bank of New York Mellon
Total - Wells Fargo		<u>\$ 3,107,839</u>		
Citizens Bank				
FNMA	3138EHR61	1,935,887	1/1/2027	Amarillo National Bank, TX
Total - Citizen's Bank		<u>\$ 1,935,887</u>		
1st National Bank				
Dulce NM ISD 4.25%	264430HJ1	54,180	3/1/2018	FHLB, Dallas
Bernalillo NM MSD 3.50%	085279PH4	331,957	8/1/2017	FHLB, Dallas
Total - 1st National Bank		<u>\$ 386,137</u>		
Total		<u><u>\$ 5,429,863</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, 2013

Schedule II

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>	<u>Carrying Balance</u>
Wells Fargo Bank				
General Operating Account	Checking	4,123,575	374,157	3,749,418
EMS Account	Checking	79,474	-	79,474
1/8% Economic Development Infrastructure	Savings	78,322	-	78,322
CDBG Account	Checking	-	-	-
John D Hoffman Endowment Account	Savings	1,007	-	1,007
Seizure Account	Checking	22,314	-	22,314
Savings Account	Savings	2,529	-	2,529
Certificate of Deposit	CD	165,821	-	165,821
Housing-General Operating Fund	Checking	533,610	38,061	495,549
Housing-CIAP Savings Account	Savings	442	-	442
Housing-CIAP Operating Account	Checking	-7	-	(7)
Housing-Section 8 Account	Checking	162,443	-	162,443
Housing-Certificate of Deposit	CD	22,838	-	22,838
Housing-Operating Account-Chaparral Apartments	Checking	0	-	-
Citizens Bank				
Bank Two	Checking	\$ 1,699,599	\$ 136,291	\$ 1,563,308
USDA Account	Checking	-	-	-
Sanitation Capital Improvement	Savings	265,817	-	265,817
Certificate of Deposit	CD	60,000	-	60,000
First National Bank				
Sanitation Department Account	Checking	261,267	27,964	233,303
Princess Theatre Account	Savings	4,551	-	4,551
Logan Meal Site Donations Account	Checking	1,591	-	1,591
Certificate of Deposit	CD	154,539	-	154,539
Certificate of Deposit	CD	154,804	-	154,804
Certificate of Deposit	CD	103,026	-	103,026
Certificate of Deposit	CD	102,283	-	102,283
Housing-Security Deposit Account	Checking	8,229	649	7,580
New Mexico Bank & Trust				
Housing-Operations Account-Chaparral Apartments	Checking	43,977	2,658	41,319
Housing-Security Deposits-Chaparral Apartments	Checking	4,701	-	4,701
Housing-Reserve Account-Chaparral Apartments	Checking	68,031	-	68,031

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, 2013

Schedule II

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>	<u>Carrying Balance</u>
Everyone's Credit Union				
Narcotics Account	Checking	37,362	-	37,362
Certificate of Deposit	CD	50,000	-	50,000
Tucumcari Federal Savings & Loan				
Certificate of Deposit	CD	61,649	-	61,649
NMFA Bank				
2011 Series Debt Reserve	Trust	-	-	-
PD Debt Service	Trust	20,719	-	20,719
PD Debt Service Reserve	Trust	35,838	-	35,838
Pool Debt Service	Trust	5,271	-	5,271
Pool Debt Service Reserve	Trust	14,620	-	14,620
Lodgers Tax Service and Program	Trust	17,107	-	17,107
Lodgers Tax Debt Service Reserve	Trust	137,361	-	137,361
WTB Program	Trust	620,393	-	620,393
Water Tank	Trust	14	-	14
Water Conversion Reuse Project	Trust	4,780	-	4,780
Fire Pumper	Trust	8	-	8
Drinking Water	Trust	10,572	-	10,572
Total cash in bank		<u>\$ 9,140,477</u>	<u>\$ 579,780</u>	<u>\$ 8,560,697</u>
Petty Cash - Housing & Chaparral				<u>1,724</u>
Total Cash				<u>8,562,421</u>
Cash in Busines-Type Activities Per Ex A-1				4,853,238
Cash in Governmental Activities Per Ex A-1				3,709,183

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, 2013

Participants	Responsible Party	Description
City of Clovis, City of Texico, Village of Melrose, County of Quay, City of Tukumcari, 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 Tukumcari and Quay County Government	All Agencies	Establish the Tukumcari/Quay 911 Regional Emergency Communications Center
Cities of Clovis, Tukumcari, Portales, San Jon, Logan, Texico, Melrose, Elida, and Grady; Counties of Curry, Roosevelt, and Quay.	All Agencies	Ute Reservoir Water Commission
City of Tukumcari, San Jon, and Logan; and County of Quay		Tukumcari Quay County Regional Water Authority (TQCRWA)
City of Logan, Village of San Jon, City of Tukumcari, 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 Quay County
City of Tukumcari and Quay County	All Agencies	Jointly purchase, operate, and maintain Dura-Patcher road equipment.

The accompanying notes are an integral part of these financial statements

Beginning Date	Ending Date	Total Estimated Project Amount	Net Amount Received (Contributed) by City During Fiscal Year	Audit Responsibility	Fiscal Agent/ Responsible Reporting Entity
2/3/2006	Indefinite	Unknown	\$ -	None	None / Each individual law enforcement agency
9/15/2009	Indefinite	Unknown	\$ 92,321	None	City / Dispatch Center
6/30/1989, 7/1/1992	Indefinite	Unknown	\$ -	None	None / Each individual governmental agency
12/19/2011	Indefinite	Unknown	\$ -	None	None / Each individual governmental agency
4/17/2007	Indefinite	Unknown	\$ 50,000	None	None / Each individual governmental agency
12/1/2005	Indefinite	Unknown	\$ -	None	None / Both

The accompanying notes are an integral part of these financial statements

COMPLIANCE SECTION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds, of the City of Tucumcari as for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Tucumcari's basic financial statements, and the combining and individual funds and related budgetary comparisons of City of Tucumcari, presented as supplementary information, and have issued our report thereon dated November 15, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items FS 10-06, FS 13-01 and FS 13-03.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 10-07 and FS 13-02.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GRIEGO PROFESSIONAL SERVICES, LLC

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

Albuquerque, New Mexico
November 15, 2013

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FEDERAL FINANCIAL ASSISTANCE

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Griego Professional Services, LLC

Certified Public Accountants

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited City of Tucumcari's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

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Report on Internal Control over Compliance

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

A 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. 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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico
November 15, 2013

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

Schedule IV

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	ARRA CWSWF 16	10.781	4,462
Rural Rental Assistance Payments	NM 990419271	10.427	109,612
Total U.S. Department of Agriculture			<u>114,074</u>
U.S. Department of Housing & Urban Development (HUD)			
<i>Direct Funding</i>			
Public and Indian Housing (1)		14.850	262,089
Section 8 Housing Choice Vouchers (1)		14.871	346,995
Capital Fund Projects		14.872	240,681
Total U.S. Department of Housing & Urban Development (HUD)			<u>849,765</u>
U.S. Department of Transportation			
Airport Improvement Program		20.106	38,073
Total U.S. Department of Transportation			<u>38,073</u>
U.S. Department of Health and Human Services			
Senior Citizens Title IIIB	2010-07-6840	93.044	\$ 5,063
Senior Citizens Title IIIC1	2010-07-6840	93.045	45,482
Senior Citizens Title IIIC2	2010-07-6840	93.045	20,911
Senior Citizens NSIP	2010-07-6840	93.053	35,672
Total U.S. Department of Health and Human Services			<u>107,128</u>
U.S. Department of Homeland Security			
Homeland Security Grant Program	2003-MU-T3-0047	97.067	232,021
Total U.S. Department of Homeland Security			<u>232,021</u>
Total Federal Financial Assistance			<u>\$ 1,341,061</u>
(1) Denotes major program			

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

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 \$171,231. This amount has been included in the amount reflected under the USDA FmHA program.

4. Loan Amount

The City owed \$4,677,066 to USDA at June 30, 2013.
The Authority owed \$683,015 to FmHA at June 30, 2013.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,341,061
Total expenditures funded by other sources	<u>13,053,505</u>
Total expenditures	<u><u>\$ 14,394,566</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, 2013

Schedule V

Section I – Summary of Audit Results

Financial Statements:

- | | |
|---|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal Control over Financial Reporting and on Compliance and Other Matters: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes |
| c. 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? | No |
| 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> | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

Schedule V

Section II – Financial Statement Findings

City of Tucumcari (Primary Government) Findings:

FS 10-06 — Cash Reconciliations (Significant Deficiency)

Condition: During testwork, we noted that the City did not perform bank reconciliations on several bank accounts until the end of the fiscal year. These accounts included thirteen NMFA accounts, three 1st National Bank Accounts, eight Wells Fargo accounts and three Citizen Bank accounts. Many of these accounts are savings and certificate of deposit accounts with minimal activity.

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 balance could be at risk due to reconciliations not 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.

Responsible Officials' Views: All Bank Account statements activity is reconciled and recorded monthly. Debt Statements with cash holding accounts will be adjusted annually after the debt holder has made their final annual transactions.

Auditors' Rebuttal: It is noted that certificates of deposit accounts do not require monthly reconciliation; however, the lack of monthly reconciliations was not limited to those type accounts. The City has changed policy subsequent to year end to conduct reconciliations monthly; however, per our procedures it was noted that many accounts were only reconciled once in fiscal year 2013; at the end of the year.

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

Condition: The City's audit report for the year ended June 30, 2013 was not submitted to the State Auditor by the required due date, December 2, 2013. The City experienced technical difficulties preparing the financial statements and as a result the report was submitted at a date subsequent to the deadline.

Criteria: Audit reports rejected and not resubmitted before the due date are considered to be late submissions under 2.2.2.9.E of the State Audit Rule.

Effect: The result was the late submission of the City's audit report for the year ended June 30, 2013.

Cause: Due to technical difficulties the City's audit report was not submitted to the State Auditor until after the December 2, 2013 deadline.

Auditors' Recommendations: The City and their auditor should ensure through thorough review that items are properly included on financial statements and ensure the software used is compatible and does not lose valuable information.

Responsible Officials' Views: The City will thoroughly improve the financial statements preparation procedures to ensure financial statements are prepared timely.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013

Schedule V

Section II – Financial Statement Findings (continued)

FS 13-03 — Prior Period Adjustment Capital Assets (Significant Deficiency)

Condition: During testwork, we noted that the City did perform annual capital asset inventory which reclassified prior year's balances and capital asset classifications by \$21,086,031.

Criteria: Accurate capital asset records provide vital information for City officials, bonding agents and the general public. Good internal controls and sound business policies require that the City safeguard its capital assets through a strong internal control system.

Effect: Internal controls over capital assets were weak. The City's capital assets were not properly recorded. Errors in accounts could be missed due to not being investigated in a timely manner.

Cause: Official policies for performing timely, accurate capital asset inventories did not exist under the previous administrations of the City. Discrepancies in capital asset balances had not been resolved.

Auditors' Recommendations: We recommend that the City establish and implement policies requiring that capital asset inventories be performed timely and that all discrepancies be investigated. Large adjustments should not occur.

Responsible Officials' Views: The City did do a timely physical inventory and there were very few adjustments. A major project (\$18M Wastewater Construction in Progress) was completed and there were many items obsolete and deleted from the Wastewater facility due to the new facility. These, however would not have created large adjustments. We will coordinate with the auditor to quantify and identify where the large adjustments were and ensure GASB roll-forwards and reporting are accurate.

Housing Authority (Department) Findings:

FS 13-01: Segregation of Duties (Internal Control) – Significant Deficiency

Criteria: Segregation of duties in all financial areas, as indicated in NMSA 1978 Section 6-6-3, is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

Condition: The Housing Authority has a small finance office and during the year one of the positions was vacant. The Executive Director had to take on the added job duties of this position until someone was hired in October 2013.

Effect: Because there is not adequate separation or oversight by the governing body, errors may be made without correction that report misstatements of accounting information.

Cause: The size of the financial staff limits the ability to adequately segregate duties within the accounting function.

Auditors' Recommendation: We recommend that the Housing Authority develop a an internal control process that limits the risk of financial misstatement.

Responsible Official's Views: The Housing Authority utilizes the City to ensure segregation of duties is obtained.

STATE OF NEW MEXICO
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Schedule V

Section II – Financial Statement Findings (continued)

FS 13-02: Travel Documentation – Compliance

Criteria: According to NMAC 6.20.2.11 Internal Control Standards states that any local government shall maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use.

Condition: During our test work five travel expenditures, we noted one instance in which travel receipts were not available for examination, in the amount of \$67.89.

Cause: The travel forms were misplaced by Housing Authority personnel.

Effect: Without supporting documentation the Housing Authority could be vulnerable to incidents of fraud or improper use of funds.

Auditor's Recommendation: All travel expenditures should be properly authorized and all documentation related to the travel expenditure should be maintained on file.

Responsible Official's Views: The Housing Authority will monitor and ensure this does not reoccur in the future.

Section III – Federal Award Findings

City of Tucumcari (Primary Government) Federal Award Findings:

None

Section III – Federal Award Findings

Housing Authority (Department) Federal Award Findings:

None

Section IV – Prior Year Audit Findings

Primary Government (City):

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

FS 08-03 – Over Expenditure of Budgets (Compliance), Resolved

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

FS 10-06 – Cash Reconciliations (Significant Deficiency), Repeated

FS 10-07 – Audit Report Submission to the New Mexico State Auditor (Compliance), Revised and Repeated

Section IV – Prior Year Audit Findings

Housing Authority (Department):

FS 2008-08 Deficiencies in Internal Control Structure, Design, Operation, and Oversight - Resolved

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

FS 2011-02 Late Audit Report (Significant Deficiency) - Resolved

FA 2007-11 Lack of Adequate Internal Controls Over Compliance- Resolved

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Schedule V

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 November 26, 2013. The following individuals were in attendance.

City of Tucumcari

Doug Powers, City Manager
Dennis Dysart, City Finance Director
Amiel Curnutt, Mayor
Daniel Lopez, Mayor Pro-Tem
Dora Salinas-McTigue, Commissioner
Jimmy Sandoval, Commissioner
Robert Lumpkin, Commissioner
Vicki Strand, Human Resources Director
Angelica Gray, City Clerk
Viki Riddle, Housing Authority Executive Director

Griego Professional Services, LLC

J.J. Griego, CPA