

STATE OF NEW MEXICO
CITY OF TUCUMCARI
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015



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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CITY OF TUCUMCARI

Official Roster
June 30, 2015

City Council

Mayor/Commissioner	Robert Lumpkin
Commissioner	Amy J. Gutierrez
Commissioner	Rick Haymaker
Commissioner	Ruth Ann Litchfield
Commissioner	John A. Mihm

Administrative Officials

City Manager	Jared Langenegger
Assistant City Manager	Doug Powers
City Clerk	Angelica Gray
City Planning Director	Viki Riddle
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, 2015
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Official Roster		i
Table of Contents		ii-iv
FINANCIAL SECTION		
Independent Auditors' Report		v-vi
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	1-2
Statement of Activities	A-2	3-4
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5-6
Reconciliation of the Balance Sheet to the Statement of Net Position		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8-9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual		
General Fund	C-1	11
Fire Districts Special Revenue Fund	C-2	12
1/8% Economic Development Tax Special Revenue Fund	C-3	13
Statement of Net Position – Proprietary Funds	D-1	14-15
Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	D-2	16-17
Statement of Cash Flows – Proprietary Funds	D-3	18-19
Notes to Financial Statements		20-45
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	47
Nonmajor Special Revenue Fund Descriptions		48-49
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	50-53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	54-57
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Lodger's Tax Executive Special Revenue Fund	B-3	58
Lodger's Tax Promotion Special Revenue Fund	B-4	59
Fire/Emergency Management Special Revenue Fund	B-5	60
EMS Special Revenue Fund	B-6	61

STATE OF NEW MEXICO
CITY OF TUCUMCARI

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual: (Continued)		
Corrections Special Revenue Fund	B-7	62
Recreation Special Revenue Fund	B-8	63
Gas Tax Fund	B-9	64
Law Enforcement Grant Special Revenue Fund	B-10	65
E-911 Special Revenue Fund	B-11	66
Traffic Safety Education and Enforcement Special Revenue Fund	B-12	67
Convention Center Operations and Maintenance Special Revenue Fund	B-13	68
John D. Hoffman Special Revenue Fund	B-14	69
Police Narcotics Special Revenue Fund	B-15	70
Senior Citizen’s Special Revenue Fund	B-16	71
Dispatch Special Revenue Fund	B-17	72
Nonmajor Capital Project Fund Descriptions		73
Combining Balance Sheet – Nonmajor Capital Project Funds	C-1	74-75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	C-2	76-77
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Capital Projects Capital Projects Fund	C-3	78
Golf Course Improvements Capital Projects Fund	C-4	79
Lodger’s Tax Acquisition Capital Projects Fund	C-5	80
Convention Center Capital Improvements Capital Projects Fund	C-6	81
Mapping Grant Capital Projects Fund	C-7	82
Capital Grant Capital Projects Fund	C-8	83
CDBG Grant Capital Projects Fund	C-9	84
NMRDRC Grant Capital Projects Fund	C-10	85
Nonmajor Debt Service Fund Descriptions		86
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	88
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Lodger’s Tax/GRT Series 2002 Debt Service Fund	D-3	89
GRT Police Building Debt Service Fund	D-4	90
Statement of Revenues, Expenses, and Changes in Net Position – Budget and Actual:		
Airport Proprietary Fund	E-1	91
Joint Utility Proprietary Fund	E-2	92
Solid Waste Proprietary Fund	E-3	93
Housing Authority Proprietary Fund	E-4	94
Internal Service Fund	E-5	95
SUPPORTING SCHEDULES		
Schedule of Collateral Pledged by Depository for Public Funds	I	96
Schedule of Depositories	II	97-98
Schedule of Joint Powers Agreements	III	99-100
Schedule of Pension SI	IV	101
Schedule of Vendors over \$60,000	V	102-103
COMPLIANCE SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		104-105

STATE OF NEW MEXICO
CITY OF TUCUMCARI

FEDERAL FINANCIAL ASSISTANCE

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		106-107
Schedule of Expenditures of Federal Awards	VI	108-109
Schedule of Findings & Questioned Costs	VII	110-113
Financial Data Schedule		114-117

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FINANCIAL SECTION

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Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Tim Keller
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, 2015, 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, 2015, as listed in the table of contents.

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, 2015, 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 non-major governmental and fiduciary fund of City of Tucumcari, New Mexico as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the financial data schedule and the respective budgetary comparisons for the major capital project fund, debt service funds, internal service fund and all non-major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements and the combining and individual fund financial statements and budgetary comparisons. The 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 the other schedules required by Section 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditures of federal awards and other schedules required by Section 2.2.2 NMAC* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Expenditures and other schedules required by Section 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Vendors over \$60,000 (excluding GRT) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2015 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 12, 2015

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF NET POSITION
JUNE 30, 2015

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 2,846,129	\$ 3,892,640	\$ 6,738,769
Short term investments	424,952	453,056	878,008
Receivables			
Property taxes	44,017	-	44,017
Other taxes	62,428	-	62,428
Intergovernmental	-	5,269	5,269
Customers, net of allowance	-	328,532	328,532
Other accounts receivable	117,385	65,177	182,562
Prepaid insurance	81,997	18,798	100,795
Inventory	-	134,858	134,858
Internal balances	278,570	(278,570)	-
Restricted cash and equivalents	55,338	433,520	488,858
Capital assets	28,222,567	47,741,436	75,964,003
Less: accumulated depreciation	(13,781,334)	(17,883,062)	(31,664,396)
Total Capital Assets	<u>14,441,233</u>	<u>29,858,374</u>	<u>44,299,607</u>
Deferred outflow of resources:			
Deferred outflows	276,415	74,117	350,532
Total Assets	<u><u>18,628,464</u></u>	<u><u>34,985,771</u></u>	<u><u>53,614,235</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF NET POSITION
JUNE 30, 2015

Exhibit A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Liabilities			
Accounts payable	\$ 189,170	\$ 17,453	\$ 206,623
Accrued payroll liabilities	100,834	30,092	130,926
Customer deposits payable	712	185,634	186,346
Other accrued liabilities	5,616	20,880	26,496
Unearned revenue - prepaid rent	-	82	82
Accrued interest payable	5,123	55,161	60,284
Noncurrent Liabilities:			
Net pension liability	2,818,414	524,068	3,342,482
Current portion of accrued compensated absences	17,618	7,654	25,272
Non current portion of accrued compensated absences	88,702	40,186	128,888
Current portion of long term obligatons	170,943	165,893	336,836
Bonds payable	717,000	-	717,000
Notes & Capital Leases Payable	622,178	6,400,665	7,022,843
Landfill liability	-	4,103,233	4,103,233
Total Liabilities	4,736,310	11,551,001	16,287,311
Deferred inflow of resources:			
Deferred inflows	1,156,358	205,384	1,361,742
Net Position			
Net investment in capital assets	12,931,112	23,291,816	36,222,928
Restricted for:			
Debt service	236,415	-	236,415
Special revenue funds/other purposes	1,199,328	-	1,199,328
Unrestricted	(1,631,059)	(62,430)	(1,693,489)
Total Net Position	12,735,796	23,229,386	35,965,182

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
CITY OF TUCUMCARI
STATEMENT OF ACTIVITIES
JUNE 30, 2015**

	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	\$ 1,537,497	\$ 1,410,570	\$ 437,208	\$ -
Public safety	2,938,752	668,625	475,323	-
Culture and recreation	1,516,167	88,516	-	-
Health and welfare	660,319	20,626	420,806	-
Public works	2,078,020	9,450	63,101	478,753
Interest on long-term debt	43,890	-	-	-
	<u>8,774,645</u>	<u>2,197,787</u>	<u>1,396,438</u>	<u>478,753</u>
Total governmental activities	<u>8,774,645</u>	<u>2,197,787</u>	<u>1,396,438</u>	<u>478,753</u>
Business-type activities				
Airport	412,779	278,800	-	287,862
Joint Utility	2,755,025	2,365,803	-	-
Sanitation	963,287	819,735	-	-
Housing Authority	1,079,337	186,317	-	836,609
	<u>5,210,428</u>	<u>3,650,655</u>	<u>-</u>	<u>1,124,471</u>
Total business-type activities	<u>5,210,428</u>	<u>3,650,655</u>	<u>-</u>	<u>1,124,471</u>
Total primary government	<u>13,985,073</u>	<u>5,848,442</u>	<u>1,396,438</u>	<u>1,603,224</u>

General Revenues:

Taxes
Property taxes
Gross receipts taxes
Franchise Tax
Lodgers Tax
Gas Tax
Other Taxes
Interest income
Transfers in (out)
Gain (loss) on asset disposal
Miscellaneous income
Total General Revenues and Transfers
Change in net position
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
\$ 310,281	\$ -	\$ 310,281
(1,794,804)	-	(1,794,804)
(1,427,651)	-	(1,427,651)
(218,887)	-	(218,887)
(1,526,716)	-	(1,526,716)
(43,890)	-	(43,890)
<u>(4,701,667)</u>	<u>-</u>	<u>(4,701,667)</u>
-	153,883	153,883
-	(389,222)	(389,222)
-	(143,552)	(143,552)
<u>-</u>	<u>(56,411)</u>	<u>(56,411)</u>
-	(435,302)	(435,302)
		<u>(5,136,969)</u>
465,464	-	465,464
2,332,125	-	2,332,125
203,610	-	203,610
631,008	-	631,008
263,825	-	263,825
121,890	302,845	424,735
3,309	3,593	6,902
14,931	(14,931)	-
(358,338)	(21,268)	(379,606)
114,377	11,219	125,596
<u>3,792,201</u>	<u>281,458</u>	<u>4,073,659</u>
<u>(909,466)</u>	<u>(153,844)</u>	<u>(1,063,310)</u>
17,481,507	24,090,813	41,572,320
<u>(3,836,245)</u>	<u>(707,583)</u>	<u>(4,543,828)</u>
<u>13,645,262</u>	<u>23,383,230</u>	<u>37,028,492</u>
<u>\$ 12,735,796</u>	<u>\$ 23,229,386</u>	<u>\$ 35,965,182</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, 2015

	<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	\$ 1,615,286	\$ 2,458	\$ -
Short term investments	-	103,553	321,399
Accounts receivable			
Property taxes	44,017	-	-
Other taxes	-	-	-
Intergovernmental	-	-	-
Miscellaneous	24,878	-	-
Interfund receivable	626,150	-	-
Prepaid expenses	81,997	-	-
Interfund note receivable	-	-	28,491
<i>Total assets</i>	<u>\$ 2,392,328</u>	<u>\$ 106,011</u>	<u>\$ 349,890</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 43,393	\$ 1,740	\$ -
Accrued payroll liabilities	55,921	-	-
Customer deposits payable	136	-	-
Other accrued liabilities	5,616	-	-
Interfund payable	-	-	32,004
Interfund note payable	-	-	-
<i>Total liabilities</i>	<u>105,066</u>	<u>1,740</u>	<u>32,004</u>
Fund balances			
Nonspendable	81,997	-	28,491
Restricted	-	104,271	289,395
Committed	-	-	-
Assigned	-	-	-
Unassigned	2,205,265	-	-
<i>Total fund balances</i>	<u>2,287,262</u>	<u>104,271</u>	<u>317,886</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,392,328</u>	<u>\$ 106,011</u>	<u>\$ 349,890</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
\$ -	\$ -	\$ 181,077	\$ 1,107,041	\$ 2,905,862
-	-	-	-	424,952
-	-	-	-	44,017
-	-	-	62,428	62,428
-	-	-	-	-
-	4,900	-	87,607	117,385
-	-	-	-	626,150
-	-	-	-	81,997
-	-	-	-	28,491
<u>\$ -</u>	<u>\$ 4,900</u>	<u>\$ 181,077</u>	<u>\$ 1,257,076</u>	<u>\$ 4,291,282</u>
\$ 84,412	\$ -	\$ -	\$ 57,775	\$ 187,320
-	-	-	33,734	89,655
-	-	-	576	712
-	-	-	-	5,616
295,433	17,323	-	2,820	347,580
-	28,491	-	-	28,491
<u>379,845</u>	<u>45,814</u>	<u>-</u>	<u>94,905</u>	<u>659,374</u>
-	-	-	-	110,488
-	-	181,077	1,113,466	1,688,209
-	-	-	58,218	58,218
-	-	-	-	-
<u>(379,845)</u>	<u>(40,914)</u>	<u>-</u>	<u>(9,513)</u>	<u>1,774,993</u>
<u>(379,845)</u>	<u>(40,914)</u>	<u>181,077</u>	<u>1,162,171</u>	<u>3,631,908</u>
<u>\$ -</u>	<u>\$ 4,900</u>	<u>\$ 181,077</u>	<u>\$ 1,257,076</u>	<u>\$ 4,291,282</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, 2015

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	\$	3,631,908
Internal service funds assets and liabilities, included in governmental activities in the statement of net position:		
Current Assets		(4,395)
Capital Assets		35,513
Liabilities		(213,284)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		14,405,720
Deferred outflow of resources		276,415
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Accrued interest		(5,123)
Current portion of accrued compensate absences		(17,618)
Deferred inflow of resources		(1,156,358)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Net pension liability		(2,618,769)
Noncurrent portion of accrued compensated absences		(88,092)
Noncurrent portion of notes payable		(622,178)
Current portion of notes and bonds payable		(36,943)
Bonds payable		(851,000)
Net position-Governmental Activities	\$	<u><u>12,735,796</u></u>

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, 2015

	General Fund	Fire Districts Fund	1/8% Economic Development Tax Fund
<i>Revenues:</i>			
Property taxes	\$ 465,464	\$ -	\$ -
Gross receipts taxes	2,332,125	-	-
Other taxes	203,610	-	121,890
State grants	442,078	407,196	-
Federal grants	-	-	-
Licenses and fees	161,643	-	-
Charges for services	793,179	-	-
Investment income	640	259	826
Miscellaneous	38,184	-	7,406
<i>Total Revenues</i>	<u>4,436,923</u>	<u>407,455</u>	<u>130,122</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General Government	982,025	-	361,147
Public safety	1,102,209	117,879	-
Culture and recreation	847,581	-	-
Health and welfare	-	-	-
Public works	625,110	-	-
Capital Outlay	14,500	495,780	-
<i>Debt Service:</i>			
Principal	-	51,778	-
Interest	-	787	-
<i>Total Expenditures</i>	<u>3,571,425</u>	<u>666,224</u>	<u>361,147</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>865,498</u>	<u>(258,769)</u>	<u>(231,025)</u>
<i>Other financing sources (uses)</i>			
Operating transfers in	-	-	-
Operating transfers (out)	(798,634)	-	(14,380)
<i>Total other financing sources (uses)</i>	<u>(798,634)</u>	<u>-</u>	<u>(14,380)</u>
<i>Net change in fund balance</i>	66,864	(258,769)	(245,405)
<i>Fund balance - beginning of year</i>	2,220,398	363,040	563,291
<i>Fund balance - end of year</i>	<u>\$ 2,287,262</u>	<u>\$ 104,271</u>	<u>\$ 317,886</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
\$ -	\$ -	\$ -	\$ -	\$ 465,464
-	-	-	-	2,332,125
-	-	-	894,833	1,220,333
294,652	-	-	616,479	1,760,405
-	-	-	109,885	109,885
-	13,876	-	470,646	646,165
-	-	-	248,447	1,041,626
-	-	1,130	454	3,309
-	-	-	73,688	119,278
<u>294,652</u>	<u>13,876</u>	<u>1,130</u>	<u>2,414,432</u>	<u>7,698,590</u>
-	-	-	158,198	1,501,370
-	-	-	1,060,527	2,280,615
-	-	-	442,942	1,290,523
-	-	-	529,398	529,398
-	-	-	282,016	907,126
678,840	10,000	-	175,798	1,374,918
-	12,406	133,000	22,816	220,000
-	164	23,011	19,064	43,026
<u>678,840</u>	<u>22,570</u>	<u>156,011</u>	<u>2,690,759</u>	<u>8,146,976</u>
<u>(384,188)</u>	<u>(8,694)</u>	<u>(154,881)</u>	<u>(276,327)</u>	<u>(448,386)</u>
7,811	-	154,881	1,408,594	1,571,286
-	-	-	(677,261)	(1,490,275)
<u>7,811</u>	<u>-</u>	<u>154,881</u>	<u>731,333</u>	<u>81,011</u>
(376,377)	(8,694)	-	455,006	(367,375)
(3,468)	(32,220)	181,077	707,165	3,999,283
<u>\$ (379,845)</u>	<u>\$ (40,914)</u>	<u>\$ 181,077</u>	<u>\$ 1,162,171</u>	<u>\$ 3,631,908</u>

The accompanying notes are an integral part of these financial statements

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, 2015

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

Net change in fund balances - total governmental funds	\$ (367,375)
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	695,558
Depreciation expense	(1,219,830)
Loss on disposal of assets	(358,338)

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 and notes payable	220,000
Bond proceeds	-
Decrease in pension liability	117,277
Decrease in compensated absences	2,644
Decrease in accrued interest expense	415

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

Revenue	509,996
Expense	<u>(509,813)</u>

Change in net position of governmental activities	<u><u>\$ (909,466)</u></u>
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STATE OF NEW MEXICO

Exhibit C-1

CITY OF TUCUMCARI

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 3,111,984	\$ 3,190,851	\$ 3,190,876	\$ 25
Intergovernmental	344,457	442,075	442,078	3
Licenses and fees	134,959	142,048	142,053	5
Charges for services	786,912	793,178	793,179	1
Investment income	1,000	604	640	36
Miscellaneous	24,250	32,909	32,896	(13)
<i>Total revenues</i>	<u>4,403,562</u>	<u>4,601,665</u>	<u>4,601,722</u>	<u>57</u>
<i>Expenditures:</i>				
Current				
General Government	1,313,888	1,739,290	969,597	769,693
Public safety	1,225,167	1,101,734	1,101,714	20
Culture and recreation	858,365	844,851	844,804	47
Health and welfare	-	-	-	-
Public works	634,041	620,954	620,926	28
Education	-	-	-	-
Capital outlay	110,000	14,502	14,500	2
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,141,461</u>	<u>4,321,331</u>	<u>3,551,541</u>	<u>769,790</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>262,101</u>	<u>280,334</u>	<u>1,050,181</u>	<u>769,847</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(694,652)	(798,647)	(798,634)	13
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	432,551	518,313	-	(518,313)
<i>Total other financing sources (uses)</i>	<u>(262,101)</u>	<u>(280,334)</u>	<u>(798,634)</u>	<u>(518,300)</u>
<i>Net change in fund balances</i>	-	-	251,547	251,547
<i>Fund balances - beginning of year</i>	-	-	1,989,889	1,989,889
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,241,436</u>	<u>\$ 2,241,436</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(164,799)	
Expenditure accruals			(19,884)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 66,864</u>	

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

STATE OF NEW MEXICO

Exhibit C-2

CITY OF TUCUMCARI

FIRE DISTRICTS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	228,761	407,196	407,196	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	400	258	259	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>229,161</u>	<u>407,454</u>	<u>407,455</u>	<u>1</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	152,835	116,403	116,393	10
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	365,000	495,781	495,780	1
Debt service				
Principal	51,156	51,779	51,778	1
Interest	1,408	787	787	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>570,399</u>	<u>664,750</u>	<u>664,738</u>	<u>12</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(341,238)</u>	<u>(257,296)</u>	<u>(257,283)</u>	<u>13</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	341,238	257,296	-	(257,296)
<i>Total other financing sources (uses)</i>	<u>341,238</u>	<u>257,296</u>	<u>-</u>	<u>(257,296)</u>
<i>Net change in fund balances</i>	-	-	(257,283)	(257,283)
<i>Fund balances - beginning of year</i>	-	-	363,294	363,294
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,011</u>	<u>\$ 106,011</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(1,486)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (258,769)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 115,000	\$ 121,889	\$ 121,890	\$ 1
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,467	249	826	577
Miscellaneous	6,810	7,406	7,406	-
<i>Total revenues</i>	<u>123,277</u>	<u>129,544</u>	<u>130,122</u>	<u>578</u>
<i>Expenditures:</i>				
Current				
General Government	86,344	361,149	361,148	1
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>86,344</u>	<u>361,149</u>	<u>361,148</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>36,933</u>	<u>(231,605)</u>	<u>(231,026)</u>	<u>579</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(15,804)	(14,381)	(14,380)	1
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(21,129)	245,986	-	(245,986)
<i>Total other financing sources (uses)</i>	<u>(36,933)</u>	<u>231,605</u>	<u>(14,380)</u>	<u>(245,985)</u>
<i>Net change in fund balances</i>	-	-	(245,406)	(245,406)
<i>Fund balances - beginning of year</i>	-	-	534,801	534,801
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,395</u>	<u>\$ 289,395</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			1	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (245,405)</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, 2015

Assets	Airport	Joint Utility
Current Assets:		
Cash and investments	\$ -	\$ 3,839,730
Receivables		
Intergovernmental	-	-
Customers (net of allowance for uncollectibles)	-	328,532
Other receivables	-	20,758
Interfund receivables	(278,570)	-
Inventory	105,390	23,479
Prepaid insurance	-	14,063
Total current assets	(173,180)	4,226,562
Non-current Assets:		
Capital assets	7,668,008	31,479,684
Less: accumulated depreciation	(3,687,467)	(9,996,236)
Total noncurrent assets	3,980,541	21,483,448
Deferred outflow of resources		
Deferred outflow of resources related to pensions	4,358	45,958
Total assets	3,811,719	25,755,968
Liabilities		
Current Liabilities:		
Accounts payable	\$ 563	\$ -
Accrued payroll liabilities	1,664	19,071
Other accrued liabilities	-	20,880
Accrued interest expense	-	54,416
Unearned revenue - prepaid rent	-	-
Customer/tenant deposits	-	171,647
Current portion of accrued compensated absences	235	5,850
Current portion of bonds and notes payable	-	165,893
Total current liabilities	2,462	437,757
Noncurrent Liabilities:		
Net pension liability	29,947	324,423
Noncurrent portion of accrued compensated absences	1,232	30,715
Noncurrent portion of bonds and notes payable	-	5,743,585
Noncurrent portion of landfill liability	-	-
Total non-current liabilities	31,179	6,098,723
Deferred inflow of resources		
Deferred inflow of resources related to pensions	11,736	127,143
Total liabilities	45,377	6,663,623
Net Position		
Net investment in capital assets	3,980,541	15,573,970
Restricted	-	72,586
Unrestricted	(214,199)	3,445,789
Total net position	3,766,342	19,092,345

The accompanying notes are an integral part of these financial statements

Solid Waste	Housing Authority	Total	Internal Service Fund
\$ 166,565	\$ 772,921	\$ 4,779,216	\$ (4,395)
-	5,269	5,269	-
-	-	328,532	-
34,965	9,454	65,177	-
-	-	(278,570)	-
-	5,989	134,858	-
-	4,735	18,798	-
<u>201,530</u>	<u>798,368</u>	<u>5,053,280</u>	<u>(4,395)</u>
3,112,030	5,481,714	47,741,436	216,791
(1,370,163)	(2,829,196)	(17,883,062)	(181,278)
<u>1,741,867</u>	<u>2,652,518</u>	<u>29,858,374</u>	<u>35,513</u>
17,371	6,430	74,117	28,332
<u>1,960,768</u>	<u>3,457,316</u>	<u>34,985,771</u>	<u>59,450</u>
\$ 9,540	\$ 7,350	\$ 17,453	\$ 1,850
6,114	3,243	30,092	11,179
-	-	20,880	-
-	745	55,161	-
-	82	82	-
-	13,987	185,634	-
1,206	363	7,654	-
-	-	165,893	-
<u>16,860</u>	<u>25,770</u>	<u>482,849</u>	<u>13,029</u>
124,778	44,920	524,068	199,645
6,331	1,908	40,186	610
-	657,080	6,400,665	-
4,103,233	-	4,103,233	-
<u>4,234,342</u>	<u>703,908</u>	<u>11,068,152</u>	<u>200,255</u>
48,901	17,604	205,384	78,242
<u>4,300,103</u>	<u>747,282</u>	<u>11,756,385</u>	<u>291,526</u>
1,741,867	2,652,518	23,948,896	35,513
-	-	72,586	-
(4,081,202)	57,516	(792,096)	(267,589)
<u>(2,339,335)</u>	<u>2,710,034</u>	<u>23,229,386</u>	<u>(232,076)</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, 2015

	<u>Airport</u>	<u>Joint Utility</u>
<i>Operating revenues:</i>		
Charges for services	\$ 278,800	\$ 2,365,803
Total operating revenues	<u>278,800</u>	<u>2,365,803</u>
<i>Operating expenses:</i>		
General and administrative	40,138	177,181
Personnel services	67,229	814,432
Contractual services	1,164	-
Supplies and purchased power	76,512	7,563
Maintenance and materials	37,164	72,241
Utilities	12,203	259,722
Depreciation	178,369	1,255,978
Miscellaneous	-	-
Total operating expenses	<u>412,779</u>	<u>2,587,117</u>
Operating income (loss)	(133,979)	(221,314)
<i>Non-operating revenues (expenses):</i>		
Taxes	-	241,902
Housing assistance payments	-	-
Interest income	-	992
Interest expense	-	(167,908)
Loss on disposal of assets	-	(20,973)
Grant revenue	287,862	-
Miscellaneous	116	1,314
Total non-operating revenues	<u>287,978</u>	<u>55,327</u>
Transfers in	62,882	431,232
Transfers (out)	-	(509,045)
Total transfers	<u>62,882</u>	<u>(77,813)</u>
<i>Change in net position</i>	216,881	(243,800)
<i>Total net position - beginning</i>	3,589,894	19,774,173
<i>Prior period adjustment</i>	(40,433)	(438,028)
<i>Total net position - restated</i>	<u>3,549,461</u>	<u>19,336,145</u>
<i>Total net position - ending</i>	<u>\$ 3,766,342</u>	<u>\$ 19,092,345</u>

The accompanying notes are an integral part of these financial statements

<u>Solid Waste</u>	<u>Housing Authority</u>	<u>Total</u>	<u>Internal Service Fund</u>
\$ 819,735	\$ 186,317	\$ 3,650,655	\$ 509,996
<u>819,735</u>	<u>186,317</u>	<u>3,650,655</u>	<u>509,996</u>
266,630	223,364	707,313	3,276
276,993	151,413	1,310,067	428,852
69,038	31,087	101,289	10,484
10,061	641	94,777	27,810
136,380	23,159	268,944	14,322
55,567	89,210	416,702	12,941
127,973	196,888	1,759,208	11,289
12,148	-	12,148	839
<u>954,790</u>	<u>715,762</u>	<u>4,670,448</u>	<u>509,813</u>
(135,055)	(529,445)	(1,019,793)	183
60,943	-	302,845	-
-	(354,089)	(354,089)	-
2,484	117	3,593	-
(8,497)	(9,486)	(185,891)	-
(295)	-	(21,268)	-
-	836,609	1,124,471	-
<u>1,668</u>	<u>8,121</u>	<u>11,219</u>	<u>-</u>
<u>56,303</u>	<u>481,272</u>	<u>880,880</u>	<u>-</u>
-	-	494,114	-
-	-	(509,045)	-
-	-	(14,931)	-
(78,752)	(48,173)	(153,844)	183
(2,092,111)	2,818,857	24,090,813	37,297
<u>(168,472)</u>	<u>(60,650)</u>	<u>(707,583)</u>	<u>(269,556)</u>
<u>(2,260,583)</u>	<u>2,758,207</u>	<u>23,383,230</u>	<u>(232,259)</u>
<u>\$ (2,339,335)</u>	<u>\$ 2,710,034</u>	<u>\$ 23,229,386</u>	<u>\$ (232,076)</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, 2015

	Enterprise Funds	
	Airport Enterprise Fund	Joint Utility Enterprise Fund
Cash Flows From Operating Activities:		
Cash received from customers	\$ 279,273	\$ 2,435,154
Cash paid to suppliers and employees	(10,813)	(899,548)
Net Cash (Used) by Operating Activities	268,460	1,535,606
Cash Flows From Non-Capital Financing Activities		
Operating transfers	62,998	(77,813)
Taxes		241,902
Grant income	287,862	-
Housing assistance payments	-	-
HUD capital subsidy	-	-
Miscellaneous income	116	1,314
Net Cash (Used) by Non-Capital Financing Activities	350,976	165,403
Cash Flows From Capital Financing Activities		
(Purchase)/transfer of capital assets	(534,524)	(641,609)
Principal paid on capital debt	-	95,573
Disposals and transfers	-	-
Prior period adjustment	(44,976)	(417,549)
Interest paid on capital debt	-	(168,818)
Net Cash (Used) by Capital Financing Activities	(579,500)	(1,132,403)
Cash Flows From Investing Activities:		
Interest income	-	992
Net Cash (Used) by Investing Activities	-	992
Net Increase/(Decrease) in Cash and Cash Equivalents	39,936	569,598
Cash and Cash Equivalents, Beginning of Year	(39,936)	3,270,132
Cash and Cash Equivalents, End of Year	\$ -	\$ 3,839,730
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:		
Operating income (loss)	\$ (133,979)	\$ (221,314)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation	178,369	1,255,978
(Increase)/decrease in accounts receivable	473	119,976
(Increase)/decrease in interfund balances	278,570	-
(Increase)/decrease in inventory	-	(4,667)
(Increase)/decrease in prepaids	-	(45,958)
(Increase)/decrease in deferred outflows	(4,358)	(14,063)
Increase/(decrease) in accounts payable	(93,406)	(15,344)
Increase/(decrease) in accrued liabilities	560	(15,834)
Increase/(decrease) in deposits	-	25,401
Increase/(decrease) in unearned revenue	-	-
Increase/(decrease) deferred inflow	11,736	127,143
Increase/(decrease) in net pension liability	29,947	324,423
Increase/(decrease) in accrued compensated absences	548	(135)
Net Cash (Used) by Operating Activities	\$ 268,460	\$ 1,535,606

Summary of Significant Noncash Activities:

The accompanying notes are an integral part of these financial statements.
 No significant noncash transactions.

Enterprise Funds			
Soild Waste Enterprise Fund	Housing Authority Enterprise Fund	Total	Internal Service Fund
\$ 891,295	\$ 193,552	\$ 3,799,274	\$ 510,520
(746,374)	(464,187)	(2,120,922)	(800,609)
<u>144,921</u>	<u>(270,635)</u>	<u>1,678,352</u>	<u>(290,089)</u>
-	-	(14,815)	-
60,943	-	302,845	-
-	771,281	1,059,143	-
-	(354,089)	(354,089)	-
-	78,977	78,977	-
1,668	-	3,098	-
<u>62,611</u>	<u>496,169</u>	<u>1,075,159</u>	<u>-</u>
-	(109,271)	(1,285,404)	-
(24,760)	(13,533)	57,280	-
(295)	-	(295)	1
(168,177)	(74,300)	(705,002)	286,217
(8,497)	(9,584)	(186,899)	-
<u>(201,729)</u>	<u>(206,688)</u>	<u>(2,120,320)</u>	<u>286,218</u>
2,484	117	3,593	-
<u>2,484</u>	<u>117</u>	<u>3,593</u>	<u>-</u>
8,287	18,963	636,784	(3,871)
<u>158,278</u>	<u>753,958</u>	<u>4,142,432</u>	<u>(524)</u>
<u>\$ 166,565</u>	<u>\$ 772,921</u>	<u>\$ 4,779,216</u>	<u>\$ (4,395)</u>
\$ (135,055)	\$ (521,324)	(1,011,672)	183
127,973	196,888	1,759,208	11,289
71,560	(4,069)	187,940	524
(70,538)	-	208,032	-
-	(165)	(4,832)	-
-	(226)	(46,184)	-
(17,371)	(6,430)	(42,222)	(28,332)
(5,236)	1,217	(112,769)	615
940	(751)	(15,085)	3,519
-	3,162	28,563	-
-	21	21	-
48,901	17,604	205,384	(78,242)
124,778	44,920	524,068	(199,645)
(1,031)	(1,482)	(2,100)	-
<u>\$ 144,921</u>	<u>\$ (270,635)</u>	<u>\$ 1,678,352</u>	<u>\$ (290,089)</u>

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

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STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 and GASB Statement No. 61, *The Financial Reporting Entity* and *The Financial Reporting Entity – Omnibus – an amendment of GASB No.14 and No. 34*, 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 County 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 and GASB Statement No. 61, fiscally independent means that the City may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The City also has no *component units*, as defined by GASB Statement No. 14 and GASB Statement No.61 and/or GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, as there are no other legally separate organizations for which the elected City Commissioners are financial accountable.

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, 2015

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. 31. 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, 2015

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.

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, 2015

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, 2015

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, 2015

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, 2015

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, 2015, 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.

Pension: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2015

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 \$1,344,646 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, Special Revenue Funds, Debt Service Funds, and Capital Projects.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015 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, 2015

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*	\$ 1,648,707	\$ 5,614,031	\$ 644,071	\$ 394,431
FDIC Coverage	(250,000)	(250,000)	(250,000)	(394,431)
Total uninsured public funds	<u>\$ 1,398,707</u>	<u>\$ 5,364,031</u>	<u>\$ 394,071</u>	<u>—</u>
Pledge collateral held by pledging bank's trust department or agent in City's name	<u>1,256,929</u>	<u>3,266,508</u>	<u>350,000</u>	<u>—</u>
Uninsured and uncollateralized	<u>141,778</u>	<u>2,097,523</u>	<u>44,071</u>	<u>—</u>
Collateral requirement (50% of uninsured public funds)	699,354	2,682,015	197,036	
Pledged collateral	<u>1,256,929</u>	<u>3,266,508</u>	<u>350,000</u>	<u>—</u>
Under (Over) collateralized	<u>\$(557,575)</u>	<u>\$ (584,493)</u>	<u>\$(152,964)</u>	<u>—</u>
	Everyone's Credit Union	Tucumcari Federal Savings & Loan		Total
Total amounts of deposits*	\$ 50,000	\$ 61,649		\$ 8,412,889
FDIC Coverage	(50,000)	(61,649)	—	(1,256,080)
Total uninsured public funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 7,156,809</u>
Pledge collateral held by pledging bank's trust department or agent in City's name	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,873,437</u>
Uninsured and uncollateralized	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,283,372</u>
Collateral requirement (50% of uninsured public funds)				3,578,405
Pledged collateral	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,873,437</u>
Under (Over) collateralized	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$(1,295,032)</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, 2015

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, 2015, \$2,283,372 of \$8,412,889 was exposed to custodial credit risk because it was uninsured and the uncollateralized at June 30, 2015.

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, 2015, 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, 2015, are as follows:

	General Fund	Fire Districts Fund	1/8% Economic Development Tax Funds	Capital Project Funds
Property Taxes	\$ 44,017	\$ —	\$ —	\$ —
Other Taxes	—	—	—	—
Intergovernmental	—	—	—	—
Miscellaneous	24,878	—	—	—
Net Receivables	<u>\$ 68,895</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

	Golf Course Capital Imp. Fund	Lodger’s Tax GRT Series 2002 Fund	Total Non-Major Fund	Total Governmental Funds
Property Taxes	\$ —	\$ —	\$ —	\$ 44,017
Other Taxes	—	—	62,428	62,428
Intergovernmental	—	—	—	—
Miscellaneous	4,900	—	87,607	117,385
Net Receivables	<u>\$ 4,900</u>	<u>\$ —</u>	<u>\$ 150,035</u>	<u>\$ 223,830</u>

	Airport Fund	Joint Utility Fund	Solid Waste Fund	Housing Authority Fund	Total Enterprise Funds
Intergovernmental	\$ —	\$ —	\$ —	\$ 5,269	\$ 5,269
Other	—	20,758	34,965	10,371	66,094
Customers, Gross Allowance	—	328,532	—	—	328,532
	—	—	—	(917)	(917)
Net Receivables	<u>\$ —</u>	<u>\$ 349,290</u>	<u>\$ 34,965</u>	<u>\$ 14,723</u>	<u>\$ 398,978</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:

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

Transfers from (to) the General Fund to:	
Recreation Fund	\$ 181,857
EMS Fund	297,936
Airport Fund	50,362
Dispatch	172,693
Debt Service	42,894
Corrections Fund	43,117
Gas Tax Fund	<u>9,775</u>
Total transfers from the General Fund	<u>\$ 798,634</u>
Transfers from the Lodger's Tax Executive Fund to:	
Lodger's Promotion	\$ 312,485
Convention Fund	48,309
Debt Service	<u>154,880</u>
Total transfers from the Lodger's Tax Executive Fund	<u>\$ 515,674</u>
Transfers from the 1/8% Econ. Development Fund to:	
Capital Fund	<u>\$ 14,380</u>
Transfers from the Lodger's Tax Promotional Fund to:	
Convention Fund	<u>\$ 161,587</u>
Total Transfers Governmental	<u>\$ 1,490,275</u>
Transfers to the Airport Fund from:	
General Fund	\$ (50,362)
Convention Fund	<u>(12,520)</u>
Total transfers to the Airport Fund	<u>\$ (62,882)</u>
Transfers to the Joint Utility Fund to:	
Joint Utility Fund Internal	<u>\$ (431,232)</u>
Transfers from the Joint Utility Fund to:	
Debt Service Fund	\$ 326,790
General Fund	50,000
Capital Projects Fund	27,813
Joint Utility Fund Internal	<u>104,442</u>
Total transfers from the Joint Utility Fund	<u>\$ 509,045</u>
Total Transfers - Proprietary	<u>\$ (14,931)</u>

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances of June 30, 2015 is as follows:

	Due to Other Funds	Due from Other Funds
General Fund	\$ —	\$ 626,150
1/8% Economic Development Tax Fund	32,004	—
Capital Projects Fund	295,433	—
Golf Course Cap. Improv. Fund	17,323	—
Lodgers Acquisition Fund	2,820	—
Airport Fund	<u>278,570</u>	<u>—</u>
 Total	 <u>\$ 626,150</u>	 <u>\$ 626,150</u>

All interfund balances are short-term in nature.

In addition to the items above, the Golf Course Capital Improvement Fund maintains a inter fund loan from the 1/8% Economic Development Tax Fund at June 30, 2015 in the amount of \$28,491.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015 follows:

Capital Assets used in Governmental Activities:	Balance June 30, 2014	Additions	Deletions	Transfers/Adjts	Balance June 30, 2015
Capital assets not depreciated					
Land	\$ 2,329,228	\$ —	\$ (322,628)	\$ —	\$ 2,006,600
Art	10,500	—	—	—	10,500
Construction in Progress	53,599	3,766	(53,599)	—	3,766
Total not being depreciated	<u>\$ 2,393,327</u>	<u>\$ 3,766</u>	<u>\$ (376,227)</u>	<u>\$ —</u>	<u>\$ 2,020,866</u>
	Balance June 30, 2014	Additions	Deletions	Transfers/Adjts	Balance June 30, 2015
Capital assets being depreciated					
Buildings & Improvements	\$ 10,392,411	\$ 92,878	\$ (14,110)	\$ 15,165	\$ 10,486,344
Infrastructure	10,017,790	—	—	—	10,017,790
Machinery & equipment	3,173,964	201,287	(838,029)	116,938	2,654,160
Vehicles	2,620,056	397,627	(45,302)	71,026	3,043,407
Total being depreciated	<u>\$ 26,204,221</u>	<u>\$ 691,792</u>	<u>\$ (897,441)</u>	<u>\$ 203,129</u>	<u>\$ 26,201,701</u>
Total capital assets	<u>\$ 28,597,548</u>	<u>\$ 695,558</u>	<u>\$ (1,273,668)</u>	<u>\$ 203,129</u>	<u>\$ 28,222,567</u>
Less accumulated depreciation					
Buildings & Improvements	\$ 7,898,366	\$ 307,158	\$ (12,780)	\$ 13,143	\$ 8,205,887
Infrastructure	936,924	560,022	—	—	1,496,946
Machinery & equipment	2,121,876	185,147	(815,083)	91,555	1,583,495
Vehicles	2,305,250	178,792	(40,663)	51,627	2,495,006
Total accumulated depreciation	<u>\$ 13,262,416</u>	<u>\$ 1,231,119</u>	<u>\$ (868,526)</u>	<u>\$ 156,325</u>	<u>\$ 13,781,334</u>
Net capital assets	<u>\$ 15,335,132</u>	<u>\$ (535,561)</u>	<u>\$ (405,142)</u>	<u>\$ 46,804</u>	<u>\$ 14,441,233</u>

Depreciation expense for the year ended June 30, 2015 was charged to governmental activities as follows:

General Government	\$ 284,767
Public Safety	498,468
Public Works	75,301
Culture and Recreation	372,583
Total	<u>\$ 1,231,119</u>

Capital Assets used in Business-Type Activities:	Balance June 30, 2014	Additions	Deletions	Transfers/Adjts	Balance June 30, 2015
Capital assets not depreciated					
Land	\$ 1,311,829	\$ —	\$ —	\$ —	\$ 1,311,829
Construction in Progress	695,413	381,739	—	(588,387)	488,765
Total not being depreciated	<u>\$ 2,007,242</u>	<u>\$ 381,739</u>	<u>\$ —</u>	<u>\$ (588,387)</u>	<u>\$ 1,800,594</u>
Capital assets being depreciated					
Buildings & Improvements	\$ 18,512,855	\$ —	\$ (2,087,623)	\$ 5,070	\$ 16,430,302
Infrastructure	20,422,512	534,524	(7,216)	583,317	21,533,137
Machinery & equipment	7,708,252	225,760	(1,236,128)	—	6,697,884
Vehicles	1,311,666	34,110	(103,376)	37,119	1,279,519
Total being depreciated	<u>\$ 47,955,285</u>	<u>\$ 794,394</u>	<u>\$ (3,434,343)</u>	<u>\$ 625,506</u>	<u>\$ 45,940,842</u>
Total capital assets	<u>\$ 49,962,527</u>	<u>\$ 1,176,133</u>	<u>\$ (3,434,343)</u>	<u>\$ 37,119</u>	<u>\$ 47,741,436</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. Capital Assets (continued)

Less accumulated depreciation					
Buildings & Improvements	\$ 11,916,556	\$ 479,221	\$ (2,145,212)	\$ —	\$ 10,250,565
Infrastructure	2,221,953	711,481	(1,762)	—	2,931,672
Machinery & Equipment	4,431,608	516,783	(1,271,995)	—	3,676,396
Vehicles	<u>1,038,964</u>	<u>51,723</u>	<u>(103,377)</u>	<u>37,119</u>	<u>1,024,429</u>
Total accumulated depreciation	<u>\$ 19,609,081</u>	<u>\$ 1,759,208</u>	<u>\$ (3,522,346)</u>	<u>\$ 37,119</u>	<u>\$ 17,883,062</u>
Net capital assets	<u>\$ 30,353,446</u>	<u>\$ (583,075)</u>	<u>\$ 88,003</u>	<u>\$ —</u>	<u>\$ 29,858,374</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2015 was \$1,759,208.

NOTE 7. Long-term Debt

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance			Due Within	
Governmental Activities	June 30, 2014	Additions	Deletions	June 30, 2015	One Year
Bonds payable	\$ 984,000	\$ —	\$ 133,000	\$ 851,000	\$ 134,000
Notes payable	746,121	—	87,000	659,121	36,943
Compensated Absences	<u>108,354</u>	<u>116,046</u>	<u>118,080</u>	<u>106,320</u>	<u>17,618</u>
Total Long-Term Debt	<u>\$ 1,838,475</u>	<u>\$ 116,046</u>	<u>\$ 338,080</u>	<u>\$ 1,615,831</u>	<u>\$ 188,561</u>

Interest expense paid on long-term debt for governmental activities totaled \$45,116 for the year ended June 30, 2015.

Bonds

At June 30, 2015, 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, 2015, including interest payments are as follows:

Fiscal Year Ending June 30, 2015	Principal	Interest	Total Debt Service
2016	\$ 134,000	\$ 21,135	\$ 155,135
2017	137,000	18,857	155,857
2018	139,000	16,076	155,076
2019	143,000	12,810	155,810
2020	147,000	9,035	156,035
2021-2025	<u>151,000</u>	<u>4,772</u>	<u>155,772</u>
Total	<u>\$ 851,000</u>	<u>\$ 82,685</u>	<u>\$ 933,685</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015	Principal	Interest	Total Debt Service
2016	36,943	20,172	57,115
2017	37,855	19,354	57,209
2018	38,824	18,481	57,305
2019	39,855	17,549	57,404
2020	40,954	16,552	57,506
2021-2025	223,748	65,434	289,182
2026-2030	199,500	31,085	230,585
2031-2036	41,442	1,689	43,131
Total	<u>\$ 659,121</u>	<u>\$ 190,316</u>	<u>\$ 849,437</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, 2015:

Business-Type Activities	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Notes Payable	\$ 1,874,704	\$ 222,427	\$ 71,139	\$ 2,025,992	\$ 108,379
Bonds Payable	4,609,814	—	69,248	4,540,566	72,280
Landfill Closure & Post Closure	4,127,993	—	24,760	4,103,233	—
Compensated Absences	49,940	43,232	45,332	47,840	7,654
Total Long-Term Debt	<u>\$ 10,662,451</u>	<u>\$ 265,659</u>	<u>\$ 210,479</u>	<u>\$ 10,717,631</u>	<u>\$ 188,313</u>

Interest expense paid on long-term debt for business-type activities totaled \$185,891 for the year ended June 30, 2015.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7. Long-term Debt (continued)

Bonds

At June 30, 2015, 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, 2015, including interest payments are as follows:

Fiscal Year Ending June 30, 2015	Principal	Interest	Total Debt Service
2016	\$ 72,280	\$ 128,788	\$ 201,068
2017	74,450	126,546	200,996
2018	76,650	124,399	201,049
2019	79,890	122,092	201,982
2020	82,380	119,966	202,346
2021-2025	459,710	574,301	1,034,011
2026-2030	547,870	504,646	1,052,516
2031-2035	655,410	403,080	1,058,490
2036-2040	784,980	299,977	1,084,957
2041-2045	955,260	176,276	1,131,536
2046-2050	751,686	51,372	803,058
Total	<u>\$ 4,540,566</u>	<u>\$ 2,631,443</u>	<u>\$ 7,172,009</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

NMFA Drinking Water State Revolving Loans

Drinking Water Program Loan in the original amounts of \$394,750 and \$225,643 payable from pledged revenues from the first increment of the City's Municipal Infrastructure Gross Receipts Tax imposed pursuant to Section 7-1-6.4, NMSA 1978 and City Ordinance No. 1108, adopted March 14, 2013. Interest rate is 0.25%. Pledged taxes are intercepted monthly from June 2015 through June 2034.

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, 2015	Principal	Interest	Total Debt Service
2016	108,379	12,132	120,511
2017	110,221	10,680	120,901
2018	112,195	8,797	120,992
2019	114,311	5,978	120,289
2020	116,586	4,590	121,176
2021-2025	506,396	(14,241)	492,155
2026-2030	529,896	(92,939)	436,957
2031-2035	428,008	(35,422)	392,586
Total	<u>\$ 2,025,992</u>	<u>\$ (100,425)</u>	<u>\$ 1,925,567</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7. Long-term Debt (continued)

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.

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 \$4,103,233 is an estimate of the remaining liability as of June 30, 2015 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 \$4,103,233.

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, 2015, 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, 2015:

Major Funds

Capital Projects Fund	\$ 379,845
Golf Course Capital Improvements Fund	40,914
Total Major Funds	<u>\$ 420,759</u>

Non-Major Funds

Gas Tax Fund	\$ 3,426
Senior Citizens Fund	3,267
Lodgers Tax Acquisition Fund	2,820
Total Non-Major Funds	<u>\$ 9,513</u>

Proprietary Funds

Solid Waste	\$ 2,339,335
Internal Service Fund	232,076
Total Proprietary Funds	<u>\$ 2,571,411</u>

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9. Other Required Individual Fund Disclosures (continued)

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, 2015.

C. Designated cash appropriations exceeded prior year available balances:

There were no funds which exceeded designated cash appropriations for the year ended June 30, 2015.

NOTE 10. PERA Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the (name of employer) are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to the City are the Municipal General Division and Municipal Police Division.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. PERA Pension Plan (Continued)

Statutorily required contributions to the pension plan from the City were \$350,585 and employer did not pay member benefits that were “picked up” by the employer for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were preformed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General Division, at June 30, 2015, the City reported a liability of \$2,495,563 for its proportionate share of the net pension liability. At June 30, 2014, the City’s proportion was .3199 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Municipal General Division pension expense of \$104,137. At June 30, 2015, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. PERA Pension Plan (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ —	\$ 1,691
Changes of assumptions	—	—
Net difference between projected and actual Earnings on pension plan investments	—	976,330
Changes in proportion and differences between the City's contributions and proportionate Share of contributions	—	—
City's contributions subsequent to the measurement date	<u>213,825</u>	<u>—</u>
Total	<u>\$ 213,825</u>	<u>\$ 978,021</u>

\$213,825 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2016	\$ 244,503
2017	244,503
2018	244,503
2019	244,503
2020	9

For PERA Fund Division Municipal Police Division, at June 30, 2015, the City reported a liability of \$846,920 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was .2598 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Division Municipal Police Members pension expense of \$56,869. At June 30, 2015, the City reported PERA Fund Division Municipal Police Members deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. PERA Pension Plan (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ —	\$ 68,799
Changes of assumptions	—	—
Net difference between projected and actual Earnings on pension plan investments	—	314,922
Changes in proportion and differences between the City's contributions and proportionate Share of contributions	—	—
City's contributions subsequent to the measurement date	<u>136,707</u>	<u>—</u>
Total	<u>\$ 136,707</u>	<u>\$ 383,721</u>

\$136,707 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>		
2016	\$	95,845
2017		95,845
2018		95,845
2019		95,845
2020		341

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. PERA Pension Plan (Continued)

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
<input type="checkbox"/> Investment rate of return	7.75% annual rate, net of investment expense
<input type="checkbox"/> Payroll growth	3.50% annual rate
<input type="checkbox"/> Projected salary increases	3.50% to 14.25% annual rate
<input type="checkbox"/> Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate if Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	4.0	4.15
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City's net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

Fiscal Year Ending June 30,	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 4,704,698	\$ 2,495,563	\$ 788,901

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10. PERA Pension Plan (Continued)

Fiscal Year	1% Decrease	Current Discount	1% Increase
<u>Ending June 30,</u>	<u>(6.75%)</u>	<u>Rate (7.75%)</u>	<u>(8.75%)</u>
City's proportionate share of the net pension liability	\$ 1,615,077	\$ 846,920	\$ 273,347

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. The City did not maintain a payable related to PERA contribution at June 30, 2015.

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

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

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

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.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

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, 2015, 2014 and 2013 were \$60,912, \$61,707, and \$58,069 respectively, which equal the required contributions for each year.

NOTE 12. Commitments

The City had various construction and purchase commitments in the governmental funds. The funding to cover the various commitments was both city expenditures and grants.

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 June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for financial statement for periods beginning after June 15, 2015.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposal of Government Operations*, which is effective for financial statement for periods beginning after December 15, 2013.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is effective for financial statement for periods beginning after June 15, 2015.

NOTE 16. Prior period adjustment

Prior period adjustment within the governmental funds totaling (\$3,836,245) was due to corrections in pension liabilities related to GASB 68 in governmental activities and (\$707,583) in business-type activities.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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:

	General	Fire	1/8% Economic		Golf Course	Lodger's Tax/	Other
	Fund	Districts	Development	Capital Projects	Capital	GRT Series 2002	Governmental
	Fund	Fund	Tax Fund	Fund	Improvements	Fund	Funds
Fund balances							
Nonspendable							
Prepaid Items	\$ 81,997	\$ -	\$ 28,491	\$ -	\$ -	\$ -	\$ -
Restricted							
Capital Projects	-	-	289,395	-	-	-	332,482
Debt Service	-	-	-	-	-	181,077	55,338
Fire Departments	-	104,271	-	-	-	-	916
Roadways	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	41,711
Recreation	-	-	-	-	-	-	46,160
Emergency Services	-	-	-	-	-	-	121,627
Convention Center	-	-	-	-	-	-	38,336
Promotion	-	-	-	-	-	-	534,058
Education	-	-	-	-	-	-	1,056
Senior Citizens	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	2,205,265	-	-	(379,845)	(40,914)	-	(9,513)
Total fund balances	\$2,287,262	\$ 104,271	\$ 317,886	(379,845)	(40,914)	181,077	\$ 1,162,171

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, 2015

Statement A-1

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
Assets				
<i>Current:</i>				
Cash and cash equivalents	\$ 709,320	\$ 342,383	\$ 55,338	\$ 1,107,041
Short term investments	-	-	-	-
Accounts receivable				
Property taxes	-	-	-	-
Other taxes	62,428	-	-	62,428
Intergovernmental	-	-	-	-
Miscellaneous	87,607	-	-	87,607
Interfund receivable	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total assets</i>	<u>\$ 859,355</u>	<u>\$ 342,383</u>	<u>\$ 55,338</u>	<u>\$ 1,257,076</u>
Liabilities and fund balances				
<i>Liabilities</i>				
Accounts payable	\$ 47,874	\$ 9,901	\$ -	\$ 57,775
Accrued payroll liabilities	33,734	-	-	33,734
Customer deposits payable	576	-	-	576
Other accrued liabilities	-	-	-	-
Interfund payable	-	2,820	-	2,820
<i>Total liabilities</i>	<u>82,184</u>	<u>12,721</u>	<u>-</u>	<u>94,905</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	725,646	332,482	55,338	1,113,466
Committed	58,218	-	-	58,218
Assigned	-	-	-	-
Unassigned	(6,693)	(2,820)	-	(9,513)
<i>Total fund balances</i>	<u>777,171</u>	<u>329,662</u>	<u>55,338</u>	<u>1,162,171</u>
<i>Total liabilities and fund balances</i>	<u>\$ 859,355</u>	<u>\$ 342,383</u>	<u>\$ 55,338</u>	<u>\$ 1,257,076</u>

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

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STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement A-2

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	894,833	-	-	894,833
State and local sources	369,277	247,202	-	616,479
Federal sources	109,885	-	-	109,885
Licenses and fees	470,646	-	-	470,646
Charges for services	248,447	-	-	248,447
Investment income	159	-	295	454
Miscellaneous	73,688	-	-	73,688
<i>Total revenues</i>	<u>2,166,935</u>	<u>247,202</u>	<u>295</u>	<u>2,414,432</u>
<i>Expenditures:</i>				
Current				
General Government	156,889	-	1,309	158,198
Public safety	1,060,527	-	-	1,060,527
Culture and recreation	442,942	-	-	442,942
Health and welfare	529,398	-	-	529,398
Education	-	-	-	-
Public works	282,016	-	-	282,016
Capital outlay	53,687	122,111	-	175,798
Debt service				
Principal	-	-	22,816	22,816
Interest	-	-	19,064	19,064
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,525,459</u>	<u>122,111</u>	<u>43,189</u>	<u>2,690,759</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(358,524)</u>	<u>125,091</u>	<u>(42,894)</u>	<u>(276,327)</u>
<i>Other financing sources (uses):</i>				
Proceeds of bond/note issuance	-	-	-	-
Operating transfers in	1,245,531	120,169	42,894	1,408,594
Operating transfers (out)	(677,261)	-	-	(677,261)
<i>Total other financing sources (uses)</i>	<u>568,270</u>	<u>120,169</u>	<u>42,894</u>	<u>731,333</u>
<i>Net change in fund balances</i>	209,746	245,260	-	455,006
<i>Fund balances - beginning of year</i>	<u>567,425</u>	<u>84,402</u>	<u>55,338</u>	<u>707,165</u>
<i>Fund balances - end of year</i>	<u>\$ 777,171</u>	<u>\$ 329,662</u>	<u>\$ 55,338</u>	<u>\$ 1,162,171</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.

Dispatch Fund

To account for the operations of the City's Dispatch Services. The source of funding is the charges for dispatch services. Expenditures are subject to approval of the City Commission. This fund is authorized by NMSA 1978.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Lodger's Tax Executive Fund	Lodger's Tax Promotion Fund	Fire/Emergency Management Fund
ASSETS			
Current:			
Cash and cash equivalents	\$ 359,331	\$ 113,539	\$ 916
Short term investments	-	-	-
Accounts receivable			
Other taxes	62,428	-	-
Intergovernmental	-	-	-
Other receivables	200	-	-
Interfund balances	-	-	-
Prepaid expenses	-	-	-
	<u>\$ 421,959</u>	<u>\$ 113,539</u>	<u>\$ 916</u>
<i>Total current assets</i>	<u>\$ 421,959</u>	<u>\$ 113,539</u>	<u>\$ 916</u>
 LIABILITIES AND FUND BALANCE			
<i>Current Liabilities:</i>			
Accounts payable	\$ -	\$ 1,440	\$ -
Accrued payroll liabilities	-	-	-
Customer deposits payable	-	-	-
Other accrued liabilities	-	-	-
Interfund balances	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>-</u>	<u>1,440</u>	<u>-</u>
<i>Total current liabilities</i>	<u>-</u>	<u>1,440</u>	<u>-</u>
 <i>Fund balance:</i>			
Nonspendable	-	-	-
Restricted	421,959	112,099	916
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>421,959</u>	<u>112,099</u>	<u>916</u>
<i>Total fund balance</i>	<u>421,959</u>	<u>112,099</u>	<u>916</u>
 <i>Total liabilities and fund balance</i>	<u>\$ 421,959</u>	<u>\$ 113,539</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>
\$ 22,124	\$ 2,339	\$ 54,793	\$ 14,624	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
71,816	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 93,940</u>	<u>\$ 2,339</u>	<u>\$ 54,793</u>	<u>\$ 14,624</u>	<u>\$ -</u>
\$ 19,906	\$ 477	\$ 4,813	\$ 14,369	\$ -
11,720	-	3,820	3,681	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>31,626</u>	<u>477</u>	<u>8,633</u>	<u>18,050</u>	<u>-</u>
-	-	-	-	-
62,314	1,862	46,160	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(3,426)	-
<u>62,314</u>	<u>1,862</u>	<u>46,160</u>	<u>(3,426)</u>	<u>-</u>
<u>\$ 93,940</u>	<u>\$ 2,339</u>	<u>\$ 54,793</u>	<u>\$ 14,624</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	E-911 Fund	Traffic Safety Education and Enforcement Fund	Convention Center Operation and Maintenance Fund
ASSETS			
Current:			
Cash and cash equivalents	\$ 1,095	\$ 1,186	\$ 46,202
Short term investments	-	-	-
Accounts receivable			
Other taxes	-	-	-
Intergovernmental	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
	<u>1,095</u>	<u>1,186</u>	<u>46,202</u>
<i>Total current assets</i>	<u>\$ 1,095</u>	<u>\$ 1,186</u>	<u>\$ 46,202</u>
 LIABILITIES AND FUND BALANCE			
Current Liabilities:			
Accounts payable	\$ -	\$ -	\$ 5,216
Accrued payroll liabilities	-	-	2,074
Customer deposits payable	-	-	576
Other accrued liabilities	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Deferred revenue - property taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>7,866</u>
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>7,866</u>
Fund balance:			
Nonspendable	-	-	-
Restricted	1,095	1,186	38,336
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>1,095</u>	<u>1,186</u>	<u>38,336</u>
<i>Total fund balance</i>	<u>1,095</u>	<u>1,186</u>	<u>38,336</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,095</u>	<u>\$ 1,186</u>	<u>\$ 46,202</u>

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

John D. Hoffman Fund	Police Narcotics Fund	Senior Citizen's Center Fund	Dispatch Fund	Total
\$ 1,056	\$ 38,663	\$ 5,136	\$ 48,316	\$ 709,320
-	-	-	-	-
-	-	-	-	62,428
-	-	-	-	-
-	-	-	15,591	87,607
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,056</u>	<u>\$ 38,663</u>	<u>\$ 5,136</u>	<u>\$ 63,907</u>	<u>\$ 859,355</u>
\$ -	\$ -	\$ 1,401	\$ 252	\$ 47,874
-	-	7,002	5,437	33,734
-	-	-	-	576
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>8,403</u>	<u>5,689</u>	<u>82,184</u>
-	-	-	-	-
1,056	38,663	-	-	725,646
-	-	-	58,218	58,218
-	-	-	-	-
-	-	(3,267)	-	(6,693)
<u>1,056</u>	<u>38,663</u>	<u>(3,267)</u>	<u>58,218</u>	<u>777,171</u>
<u>\$ 1,056</u>	<u>\$ 38,663</u>	<u>\$ 5,136</u>	<u>\$ 63,907</u>	<u>\$ 859,355</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, 2015

	Lodger's Tax Executive Fund	Lodger's Tax Promotion Fund	Fire/Emergency Management Fund
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-
Other taxes	631,008	-	-
State grants	-	-	-
Federal grants	-	-	-
Licenses and fees	1,000	-	-
Charges for services	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>632,008</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>			
Current			
General Government	20,835	136,054	-
Public safety	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>20,835</u>	<u>136,054</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>611,173</u>	<u>(136,054)</u>	<u>-</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in	-	312,485	-
Operating transfers (out)	<u>(515,674)</u>	<u>(161,587)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(515,674)</u>	<u>150,898</u>	<u>-</u>
<i>Net change in fund balances</i>	95,499	14,844	-
<i>Fund balances - beginning of year</i>	<u>326,460</u>	<u>97,255</u>	<u>916</u>
<i>Fund balances - end of year</i>	<u>\$ 421,959</u>	<u>\$ 112,099</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
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	263,825	-
30,056	-	-	-	27,800
-	-	-	-	-
388,025	10,892	17,434	-	-
-	-	-	-	-
-	-	122	-	-
685	-	2,306	-	-
<u>418,766</u>	<u>10,892</u>	<u>19,862</u>	<u>263,825</u>	<u>27,800</u>
-	-	-	-	-
646,000	54,009	-	-	-
-	-	207,164	-	-
-	-	-	-	-
-	-	-	282,016	-
-	-	-	-	27,800
-	-	-	-	-
-	-	-	-	-
<u>646,000</u>	<u>54,009</u>	<u>207,164</u>	<u>282,016</u>	<u>27,800</u>
<u>(227,234)</u>	<u>(43,117)</u>	<u>(187,302)</u>	<u>(18,191)</u>	<u>-</u>
-	-	-	-	-
297,936	43,117	181,857	9,775	-
-	-	-	-	-
<u>297,936</u>	<u>43,117</u>	<u>181,857</u>	<u>9,775</u>	<u>-</u>
70,702	-	(5,445)	(8,416)	-
(8,388)	1,862	51,605	4,990	-
<u>\$ 62,314</u>	<u>\$ 1,862</u>	<u>\$ 46,160</u>	<u>\$ (3,426)</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
CITY OF TUCUMCARI
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	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	500	-	-
Federal grants	-	-	-
Licenses and fees	-	-	53,295
Charges for services	-	12	13,361
Investment income	-	-	-
Miscellaneous	-	-	2,105
<i>Total revenues</i>	<u>500</u>	<u>12</u>	<u>68,761</u>
<i>Expenditures:</i>			
Current			
General Government	-	-	-
Public safety	500	-	-
Culture and recreation	-	-	235,778
Health and welfare	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>500</u>	<u>-</u>	<u>235,778</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>12</u>	<u>(167,017)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in (out)	-	-	161,587
Operating transfers in (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>161,587</u>
<i>Net change in fund balances</i>	-	12	(5,430)
<i>Fund balances - beginning of year</i>	<u>1,095</u>	<u>1,174</u>	<u>43,766</u>
<i>Fund balances - end of year</i>	<u>\$ 1,095</u>	<u>\$ 1,186</u>	<u>\$ 38,336</u>

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

John D. Hoffman Fund	Police Narcotics Fund	Senior Citizens Fund	Dispatch Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	894,833
-	-	310,921	-	369,277
-	-	109,885	-	109,885
-	-	-	-	470,646
-	-	-	235,074	248,447
-	37	-	-	159
-	10,140	54,236	4,216	73,688
-	10,177	475,042	239,290	2,166,935
-	-	-	-	156,889
-	11,456	-	348,562	1,060,527
-	-	-	-	442,942
-	-	529,398	-	529,398
-	-	-	-	282,016
-	-	25,887	-	53,687
-	-	-	-	-
-	-	-	-	-
-	11,456	555,285	348,562	2,525,459
-	(1,279)	(80,243)	(109,272)	(358,524)
-	-	-	-	-
-	-	66,081	172,693	1,245,531
-	-	-	-	(677,261)
-	-	66,081	172,693	568,270
-	(1,279)	(14,162)	63,421	209,746
1,056	39,942	10,895	(5,203)	567,425
\$ 1,056	\$ 38,663	\$ (3,267)	\$ 58,218	\$ 777,171

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 550,000	\$ 568,580	\$ 568,580	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	600	800	800	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>550,600</u>	<u>569,380</u>	<u>569,380</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	20,000	20,835	20,835	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>20,835</u>	<u>20,835</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>530,600</u>	<u>548,545</u>	<u>548,545</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(506,011)	(515,676)	(515,674)	2
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(24,589)	(32,869)	-	32,869
<i>Total other financing sources (uses)</i>	<u>(530,600)</u>	<u>(548,545)</u>	<u>(515,674)</u>	<u>32,871</u>
<i>Net change in fund balances</i>	-	-	32,871	32,871
<i>Fund balances - beginning of year</i>	-	-	326,460	326,460
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359,331</u>	<u>\$ 359,331</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			62,628	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 95,499</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, 2015

	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>				
<i>Current</i>				
General Government	130,340	134,615	134,614	1
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	130,340	134,615	134,614	1
<i>Excess (deficiency) of revenues over expenditures</i>	(130,340)	(134,615)	(134,614)	1
<i>Other financing sources (uses):</i>				
Operating transfers in	275,000	312,485	312,485	-
Operating transfers (out)	(209,885)	(161,588)	(161,587)	1
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	65,225	(16,282)	-	16,282
<i>Total other financing sources (uses)</i>	130,340	134,615	150,898	16,283
<i>Net change in fund balances</i>	-	-	16,284	16,284
<i>Fund balances - beginning of year</i>	-	-	97,255	97,255
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 113,539	\$ 113,539
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(1,440)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 14,844	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	916	916
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 916	\$ 916
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,000	30,056	30,056	-
Licenses and fees	392,568	310,488	310,474	(14)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	684	685	1
<i>Total revenues</i>	<u>412,568</u>	<u>341,228</u>	<u>341,215</u>	<u>(13)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	509,754	639,163	639,151	12
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>509,754</u>	<u>639,163</u>	<u>639,151</u>	<u>12</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(97,186)</u>	<u>(297,935)</u>	<u>(297,936)</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	110,786	297,937	297,936	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(13,600)	(2)	-	2
<i>Total other financing sources (uses)</i>	<u>97,186</u>	<u>297,935</u>	<u>297,936</u>	<u>1</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	22,124	22,124
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,124</u>	<u>\$ 22,124</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			77,551	
Expenditure accruals			(6,849)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 70,702</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	15,000	10,892	10,892	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>10,892</u>	<u>10,892</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	54,000	54,009	54,009	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>54,000</u>	<u>54,009</u>	<u>54,009</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,000)</u>	<u>(43,117)</u>	<u>(43,117)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	39,000	43,117	43,117	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>39,000</u>	<u>43,117</u>	<u>43,117</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,339	2,339
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,339</u>	<u>\$ 2,339</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	16,750	17,435	17,434	(1)
Charges for services	-	-	-	-
Investment income	-	121	122	1
Miscellaneous	1,000	2,306	2,306	-
<i>Total revenues</i>	<u>17,750</u>	<u>19,862</u>	<u>19,862</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	283,439	201,719	201,719	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>283,439</u>	<u>201,719</u>	<u>201,719</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(265,689)</u>	<u>(181,857)</u>	<u>(181,857)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	265,689	181,857	181,857	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>265,689</u>	<u>181,857</u>	<u>181,857</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	54,793	54,793
<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			(5,445)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,445)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 264,610	\$ 263,828	\$ 263,825	\$ (3)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>264,610</u>	<u>263,828</u>	<u>263,825</u>	<u>(3)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	264,610	273,604	273,600	4
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>264,610</u>	<u>273,604</u>	<u>273,600</u>	<u>4</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(9,776)</u>	<u>(9,775)</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	9,776	9,775	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>9,776</u>	<u>9,775</u>	<u>(1)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	14,624	14,624
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,624</u>	<u>\$ 14,624</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(8,416)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (8,416)</u>	

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

STATE OF NEW MEXICO

Statement B-10

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	27,800	27,800	27,800	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	27,800	27,800	27,800	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	27,800	27,800	27,800	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	27,800	27,800	27,800	-
<i>Excess (deficiency) of revenues over expenditures</i>				
	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>				
	-	-	-	-
<i>Fund balances - beginning of year</i>				
	-	-	-	-
<i>Fund balances - end of year</i>				
	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	500	500	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	500	500	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,095	1,095
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,095</u>	<u>\$ 1,095</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
CITY OF TUCUMCARI

Statement B-12

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	12	12	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	12	12	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	12	12	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(12)	-	12
<i>Total other financing sources (uses)</i>	-	(12)	-	12
<i>Net change in fund balances</i>	-	-	12	12
<i>Fund balances - beginning of year</i>	-	-	1,174	1,174
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,186	\$ 1,186
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 12	

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

STATE OF NEW MEXICO
CITY OF TUCUMCARI

Statement B-13

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	26,250	53,294	53,295	1
Charges for services	16,000	13,361	13,361	-
Investment income	-	-	-	-
Miscellaneous	2,500	2,104	2,105	1
<i>Total revenues</i>	<u>44,750</u>	<u>68,759</u>	<u>68,761</u>	<u>2</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	254,635	230,348	230,348	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>254,635</u>	<u>230,348</u>	<u>230,348</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(209,885)</u>	<u>(161,589)</u>	<u>(161,587)</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	209,885	161,588	161,587	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	1	-	(1)
<i>Total other financing sources (uses)</i>	<u>209,885</u>	<u>161,589</u>	<u>161,587</u>	<u>(2)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	46,202	46,202
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,202</u>	<u>\$ 46,202</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(5,430)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,430)</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, 2015

	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	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1</u>	<u>-</u>	<u>-</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>1</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)	(1)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,056	1,056
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056</u>	<u>\$ 1,056</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 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, 2015

	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	50	33	37	4
Miscellaneous	(50)	10,140	10,140	-
<i>Total revenues</i>	<u>-</u>	<u>10,173</u>	<u>10,177</u>	<u>4</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	11,456	11,456	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,456</u>	<u>11,456</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,283)</u>	<u>(1,279)</u>	<u>4</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	1,283	-	(1,283)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,283</u>	<u>-</u>	<u>(1,283)</u>
<i>Net change in fund balances</i>	-	-	(1,279)	(1,279)
<i>Fund balances - beginning of year</i>	-	-	39,942	39,942
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,663</u>	<u>\$ 38,663</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,279)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	652,898	420,806	420,806	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	58,650	54,244	54,236	(8)
<i>Total revenues</i>	<u>711,548</u>	<u>475,050</u>	<u>475,042</u>	<u>(8)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	528,952	539,626	539,616	10
Public works	-	-	-	-
Capital outlay	196,600	25,887	25,887	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>725,552</u>	<u>565,513</u>	<u>565,503</u>	<u>10</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,004)</u>	<u>(90,463)</u>	<u>(90,461)</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	66,082	66,081	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	14,004	24,381	-	(24,381)
<i>Total other financing sources (uses)</i>	<u>14,004</u>	<u>90,463</u>	<u>66,081</u>	<u>(24,382)</u>
<i>Net change in fund balances</i>	-	-	(24,380)	(24,380)
<i>Fund balances - beginning of year</i>	-	-	29,516	29,516
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,136</u>	<u>\$ 5,136</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			10,218	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (14,162)</u>	

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

STATE OF NEW MEXICO

Statement B-17

CITY OF TUCUMCARI

DISPATCH 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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	211,070	211,070	220,683	9,613
Investment income	-	-	-	-
Miscellaneous	-	3,016	3,016	-
<i>Total revenues</i>	<u>211,070</u>	<u>214,086</u>	<u>223,699</u>	<u>9,613</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	383,763	348,280	348,273	7
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>383,763</u>	<u>348,280</u>	<u>348,273</u>	<u>7</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(172,693)</u>	<u>(134,194)</u>	<u>(124,574)</u>	<u>9,620</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	172,693	172,693	172,693	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(38,499)	-	38,499
<i>Total other financing sources (uses)</i>	<u>172,693</u>	<u>134,194</u>	<u>172,693</u>	<u>38,499</u>
<i>Net change in fund balances</i>	-	-	48,119	48,119
<i>Fund balances - beginning of year</i>	-	-	197	197
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,316</u>	<u>\$ 48,316</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			15,591	
Expenditure accruals			(289)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 63,421</u>	

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

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, 2015

ASSETS	<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>
<i>Current:</i>					
Cash and cash equivalents	\$ -	\$ 7,918	\$ 41,034	\$ 5	\$ 174,951
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other receivables	-	-	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current assets</i>	<u>\$ -</u>	<u>\$ 7,918</u>	<u>\$ 41,034</u>	<u>\$ 5</u>	<u>\$ 174,951</u>
 LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ 4,542	\$ -	\$ 5,359
Accrued payroll liabilities	-	-	-	-	-
Interfund balances	2,820	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
<i>Total current liabilities</i>	<u>2,820</u>	<u>-</u>	<u>4,542</u>	<u>-</u>	<u>5,359</u>
<i>Fund balance:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	7,918	36,492	5	169,592
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(2,820)	-	-	-	-
<i>Total fund balance</i>	<u>(2,820)</u>	<u>7,918</u>	<u>36,492</u>	<u>5</u>	<u>169,592</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 7,918</u>	<u>\$ 41,034</u>	<u>\$ 5</u>	<u>\$ 174,951</u>

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

Statement C-1

<u>NMRDRC Grant Fund</u>	<u>Total</u>
\$ 118,475	\$ 342,383
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>\$ 118,475</u>	<u>\$ 342,383</u>
\$ -	\$ 9,901
-	-
-	2,820
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>12,721</u>
-	-
118,475	332,482
-	-
-	-
<u>-</u>	<u>(2,820)</u>
<u>118,475</u>	<u>329,662</u>
<u>\$ 118,475</u>	<u>\$ 342,383</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, 2015

	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	37,197	-	196,048	-	-
Federal grants	-	-	-	-	-
Licenses and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>37,197</u>	<u>-</u>	<u>196,048</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current					
General Government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	3,766	48,309	25,213	-	29,006
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>3,766</u>	<u>48,309</u>	<u>25,213</u>	<u>-</u>	<u>29,006</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>33,431</u>	<u>(48,309)</u>	<u>170,835</u>	<u>-</u>	<u>(29,006)</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond/note	-	-	-	-	-
Operating transfers in	-	48,309	20,000	-	50,000
Operating transfers(out)	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>48,309</u>	<u>20,000</u>	<u>-</u>	<u>50,000</u>
<i>Net change in fund balances</i>	33,431	-	190,835	-	20,994
<i>Fund balances - beginning of year</i>	<u>(36,251)</u>	<u>7,918</u>	<u>(154,343)</u>	<u>5</u>	<u>148,598</u>
<i>Fund balances - end of year</i>	<u>\$ (2,820)</u>	<u>\$ 7,918</u>	<u>\$ 36,492</u>	<u>\$ 5</u>	<u>\$ 169,592</u>

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

Statement C-2

NMRDRC Grant Fund	Total
\$ -	\$ -
-	-
-	-
13,957	247,202
-	-
-	-
-	-
-	-
<u>13,957</u>	<u>247,202</u>
-	-
-	-
-	-
-	-
-	-
15,817	122,111
-	-
<u>15,817</u>	<u>122,111</u>
(1,860)	125,091
-	-
1,860	120,169
<u>1,860</u>	<u>120,169</u>
-	245,260
<u>118,475</u>	<u>84,402</u>
<u>\$ 118,475</u>	<u>\$ 329,662</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,277,894	294,650	294,652	2
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,277,894</u>	<u>294,650</u>	<u>294,652</u>	<u>2</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	3,468,887	588,311	588,311	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>3,468,887</u>	<u>588,311</u>	<u>588,311</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,190,993)</u>	<u>(293,661)</u>	<u>(293,659)</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	7,811	7,811	7,811	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2,183,182	285,850	-	(285,850)
<i>Total other financing sources (uses)</i>	<u>2,190,993</u>	<u>293,661</u>	<u>7,811</u>	<u>(285,850)</u>
<i>Net change in fund balances</i>	-	-	(285,848)	(285,848)
<i>Fund balances - beginning of year</i>	-	-	(9,585)	(9,585)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (295,433)</u>	<u>\$ (295,433)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(90,529)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (376,377)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	14,675	17,026	17,026	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>14,675</u>	<u>17,026</u>	<u>17,026</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	10,000	10,000	-
Debt service				
Principal	6,810	12,406	12,406	-
Interest	855	164	164	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>7,665</u>	<u>22,570</u>	<u>22,570</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>7,010</u>	<u>(5,544)</u>	<u>(5,544)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(7,010)	5,544	-	(5,544)
<i>Total other financing sources (uses)</i>	<u>(7,010)</u>	<u>5,544</u>	<u>-</u>	<u>(5,544)</u>
<i>Net change in fund balances</i>	-	-	(5,544)	(5,544)
<i>Fund balances - beginning of year</i>	-	-	(3,729)	(3,729)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,273)</u>	<u>\$ (9,273)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(3,150)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (8,694)</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 ACQUISITION CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	70,932	37,197	37,197	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	70,932	37,197	37,197	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	33,735	3,766	3,766	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	33,735	3,766	3,766	-
<i>Excess (deficiency) of revenues over expenditures</i>	37,197	33,431	33,431	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(37,197)	(33,431)	-	33,431
<i>Total other financing sources (uses)</i>	(37,197)	(33,431)	-	33,431
<i>Net change in fund balances</i>	-	-	33,431	33,431
<i>Fund balances - beginning of year</i>	-	-	(36,251)	(36,251)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (2,820)	\$ (2,820)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 33,431	

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, 2015

	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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	75,000	48,309	48,309	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>75,000</u>	<u>48,309</u>	<u>48,309</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(75,000)</u>	<u>(48,309)</u>	<u>(48,309)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	75,000	48,309	48,309	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>75,000</u>	<u>48,309</u>	<u>48,309</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	7,918	7,918
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,918</u>	<u>\$ 7,918</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-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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	413,595	196,048	196,048	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>413,595</u>	<u>196,048</u>	<u>196,048</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	237,547	20,673	20,671	2
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>237,547</u>	<u>20,673</u>	<u>20,671</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>176,048</u>	<u>175,375</u>	<u>175,377</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	20,000	20,000	20,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(196,048)	(195,375)	-	195,375
<i>Total other financing sources (uses)</i>	<u>(176,048)</u>	<u>(175,375)</u>	<u>20,000</u>	<u>195,375</u>
<i>Net change in fund balances</i>	-	-	195,377	195,377
<i>Fund balances - beginning of year</i>	-	-	(154,343)	(154,343)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,034</u>	<u>\$ 41,034</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(4,542)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 190,835</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, 2015

	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>	<u>-</u>	<u>-</u>	<u>-</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>-</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>	-	-	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			-	
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-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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	500,000	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	550,000	23,647	23,647	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>550,000</u>	<u>23,647</u>	<u>23,647</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,000)</u>	<u>(23,647)</u>	<u>(23,647)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	50,000	50,000	50,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(26,353)	-	26,353
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>23,647</u>	<u>50,000</u>	<u>26,353</u>
<i>Net change in fund balances</i>	-	-	26,353	26,353
<i>Fund balances - beginning of year</i>	-	-	148,598	148,598
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,951</u>	<u>\$ 174,951</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(5,359)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 20,994</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,969	13,956	13,957	1
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,969</u>	<u>13,956</u>	<u>13,957</u>	<u>1</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	17,253	15,817	15,817	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>17,253</u>	<u>15,817</u>	<u>15,817</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,284)</u>	<u>(1,861)</u>	<u>(1,860)</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	3,284	1,861	1,860	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,284</u>	<u>1,861</u>	<u>1,860</u>	<u>(1)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	118,475	118,475
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,475</u>	<u>\$ 118,475</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.

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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, 2015

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.

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CITY OF TUCUMCARI

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	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	295	295
Miscellaneous	-	-
<i>Total revenues</i>	<u>295</u>	<u>295</u>
<i>Expenditures:</i>		
Current		
General Government	1,309	1,309
Public safety	-	-
Culture and recreation	-	-
Health and welfare	-	-
Public works	-	-
Education	-	-
Capital outlay	-	-
Debt service		
Principal	22,816	22,816
Interest	19,064	19,064
<i>Total expenditures</i>	<u>43,189</u>	<u>43,189</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(42,894)</u>	<u>(42,894)</u>
<i>Other financing sources (uses):</i>		
Operating transfers in	42,894	42,894
Operating transfers (out)	-	-
<i>Total other financing sources (uses)</i>	<u>42,894</u>	<u>42,894</u>
<i>Net change in fund balance</i>	-	-
<i>Fund balances - beginning of year</i>	<u>55,338</u>	<u>55,338</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, 2015

	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	-	1,130	1,130	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	1,130	1,130	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	133,000	133,001	133,000	1
Interest	23,011	23,011	23,011	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	156,011	156,012	156,011	1
<i>Excess (deficiency) of revenues over expenditures</i>	(156,011)	(154,882)	(154,881)	1
<i>Other financing sources (uses):</i>				
Operating transfers in	156,011	154,882	154,881	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	156,011	154,882	154,881	(1)
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	181,077	181,077
<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)			\$ -	

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, 2015

	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	-	295	295	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	295	295	-
<i>Expenditures:</i>				
Current				
General Government	1,309	1,309	1,309	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	22,816	22,816	22,816	-
Interest	19,064	19,064	19,064	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	43,189	43,189	43,189	-
<i>Excess (deficiency) of revenues over expenditures</i>	(43,189)	(42,894)	(42,894)	-
<i>Other financing sources (uses):</i>				
Operating transfers in	43,189	42,894	42,894	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	43,189	42,894	42,894	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	55,338	55,338
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 55,338	\$ 55,338
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO

Statement E-1

CITY OF TUCUMCARI

AIRPORT PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Operating revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Charges for services	366,050	279,337	279,338	1
Investment income	-	-	-	-
Miscellaneous	-	116	116	-
<i>Total operating revenues</i>	<u>366,050</u>	<u>279,453</u>	<u>279,454</u>	<u>1</u>
<i>Operating expenses:</i>				
General and administrative	36,467	40,135	40,138	(3)
Personnel services	104,778	69,229	69,229	-
Contractual services	1,000	1,165	1,164	1
Supplies and purchased power	290,797	201,508	201,498	10
Maintenance and materials	654,744	539,966	539,965	1
Utilities	14,000	12,347	12,346	1
Depreciation	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>1,101,786</u>	<u>864,350</u>	<u>864,340</u>	<u>10</u>
<i>Operating income (loss)</i>	<u>(735,736)</u>	<u>(584,897)</u>	<u>(584,886)</u>	<u>11</u>
<i>Non-operating income (expenses) and transfers:</i>				
Operating transfers in	75,815	62,893	62,882	(11)
Operating transfers (out)	-	-	-	-
Intergovernmental	691,447	287,862	287,862	-
Interest expense	-	-	-	-
Designated cash (budgeted increase in cash)	(31,526)	234,142	-	(234,142)
<i>Total non-operating income (expenses)</i>	<u>735,736</u>	<u>584,897</u>	<u>350,744</u>	<u>(234,153)</u>
<i>Net change in net position</i>	-	-	(234,142)	(234,142)
<i>Net position - beginning of year</i>	-	-	(44,428)	(44,428)
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (278,570)</u>	<u>\$ (278,570)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(538)	
Expense accruals			<u>451,561</u>	
Change in net position			<u>\$ 216,881</u>	

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

STATE OF NEW MEXICO

Statement E-2

CITY OF TUCUMCARI

JOINT UTILITY PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Operating revenues:</i>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Charges for services	2,473,500	2,403,566	2,403,529	(37)
<i>Total operating revenues</i>	<u>2,473,500</u>	<u>2,403,566</u>	<u>2,403,529</u>	<u>(37)</u>
<i>Operating expenses:</i>				
General and administrative	182,752	181,895	181,868	27
Personnel services	842,045	843,262	843,257	5
Contractual services	558,955	546,285	546,274	11
Supplies and purchased power	103,825	100,906	100,918	(12)
Maintenance and materials	85,598	71,811	71,808	3
Utilities	374,953	295,124	295,117	7
Miscellaneous	94,130	94,130	94,130	-
Depreciation	-	-	-	-
<i>Total operating expenditures</i>	<u>2,242,258</u>	<u>2,133,413</u>	<u>2,133,372</u>	<u>41</u>
<i>Operating income (loss)</i>	<u>231,242</u>	<u>270,153</u>	<u>270,157</u>	<u>4</u>
<i>Non-operating income (expenses) and transfers:</i>				
Operating transfers in	485,969	431,236	431,232	(4)
Operating transfers (out)	(563,780)	(509,047)	(509,045)	2
Taxes	-	-	241,902	241,902
Investment income	1,000	(991)	992	1,983
Miscellaneous	2,222	903	(908)	(1,811)
Interest expense	(171,263)	(168,818)	(168,818)	-
Designated cash (budgeted increase in cash)	14,610	(23,436)	-	23,436
<i>Total non-operating income (expenses)</i>	<u>(231,242)</u>	<u>(270,153)</u>	<u>(4,645)</u>	<u>265,508</u>
<i>Net change in net position</i>	-	-	265,512	265,512
<i>Prior period adjustment</i>	-	-	-	-
<i>Net position - beginning of year</i>	-	-	3,453,362	3,453,362
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,718,874</u>	<u>\$ 3,718,874</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(56,477)	
Expense accruals			(452,835)	
Change in net position			<u>\$ (243,800)</u>	

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

STATE OF NEW MEXICO

Statement E-3

CITY OF TUCUMCARI

SOLID WASTE PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Operating revenues:</i>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Charges for services	790,114	879,267	879,266	(1)
<i>Total operating revenues</i>	<u>790,114</u>	<u>879,267</u>	<u>879,266</u>	<u>(1)</u>
<i>Operating expenses:</i>				
General and administrative	261,458	266,635	266,630	5
Personnel services	287,094	289,247	289,248	(1)
Contractual services	51,728	64,735	64,734	1
Supplies and purchased power	6,150	9,955	9,954	1
Maintenance and materials	168,814	169,396	169,392	4
Utilities	50,750	57,541	57,538	3
Depreciation	-	-	-	-
Miscellaneous	13,025	12,150	12,148	2
<i>Total operating expenditures</i>	<u>839,019</u>	<u>869,659</u>	<u>869,644</u>	<u>15</u>
<i>Net income (loss)</i>	<u>(48,905)</u>	<u>9,608</u>	<u>9,622</u>	<u>14</u>
<i>Non-operating income (expenses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Taxes	-	-	60,943	60,943
Investment income	3,199	2,461	2,484	23
Miscellaneous	-	1,689	1,668	(21)
Loss on disposal of assets	-	-	-	-
Interest expense	7,842	(7,843)	(7,843)	-
Designated cash (budgeted increase in cash)	37,864	(5,915)	-	(60,959)
<i>Total non-operating income (expenses)</i>	<u>48,905</u>	<u>(9,608)</u>	<u>57,252</u>	<u>(14)</u>
<i>Net change in net position</i>	-	-	66,874	66,874
<i>Prior period adjustment</i>	-	-	-	-
<i>Net position - beginning of year</i>	-	-	(131,150)	(131,150)
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,276)</u>	<u>\$ (64,276)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(59,826)	
Expenditure accruals			(85,721)	
Change in net position			<u>\$ (78,673)</u>	

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

STATE OF NEW MEXICO

Statement E-4

CITY OF TUCUMCARI

HOUSING AUTHORITY PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Operating revenues:</i>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-
Charges for services	-	186,317	186,317	-
Miscellaneous	-	8,121	8,121	-
<i>Total operating revenues</i>	-	194,438	194,438	-
<i>Operating expenses:</i>				
General and administrative	-	223,364	223,364	-
Personnel services	-	155,969	151,413	4,556
Contractual services	-	31,087	31,087	-
Supplies and purchased power	-	641	641	-
Maintenance and materials	-	23,159	23,159	-
Utilities	-	89,210	89,210	-
Depreciation	-	196,888	196,888	-
Miscellaneous	-	-	-	-
<i>Total operating expenditures</i>	-	720,318	715,762	4,556
<i>Net income (loss)</i>	-	(525,880)	(521,324)	4,556
<i>Non-operating income (expenses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Grant income	-	836,609	836,609	-
Investment income	-	117	117	-
Housing assistance payments	-	354,089	(354,089)	(708,178)
Interest expense	-	(9,486)	(9,486)	-
Designated cash (budgeted increase in cash)	-	(655,449)	-	655,449
<i>Total non-operating income (expenses)</i>	-	525,880	473,151	(52,729)
<i>Net change in net position</i>	-	-	(48,173)	(48,173)
<i>Net position - beginning of year</i>	-	2,758,207	821,094	(1,937,113)
<i>Net position - end of year</i>	\$ -	\$ 2,758,207	\$ 772,921	\$ (1,985,286)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expense accruals			-	
Change in net position			\$ (48,173)	

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

STATE OF NEW MEXICO

Statement E-5

CITY OF TUCUMCARI

INTERNAL SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Licenses and fees	\$ -	\$ -	\$ -	\$ -
Charges for services	518,267	514,420	514,384	(36)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>518,267</u>	<u>514,420</u>	<u>514,384</u>	<u>(36)</u>
<i>Expenditures:</i>				
Current				
General and administrative	2,140	3,278	3,276	2
Personnel services	449,973	445,333	445,334	(1)
Contractual services	9,127	10,447	10,439	8
Supplies and purchased power	30,050	27,904	27,896	8
Maintenance and materials	14,200	14,326	14,322	4
Utilities	12,000	12,292	12,285	7
Depreciation	-	-	-	-
Miscellaneous	775	840	839	1
<i>Total expenditures</i>	<u>518,265</u>	<u>514,420</u>	<u>514,391</u>	<u>29</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2</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)	(2)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(7)	(7)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ (7)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(4,388)	
Expenditure accruals			<u>4,578</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 183</u>	

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

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR THE YEAR ENDED JUNE 30, 2015

Security Description	CUSIP Number	Fair Market Value	Maturity Date	Name and Location of Safekeeper
Wells Fargo				
FG G08525 3.000% - Housing	31397AZV8	367,531	5/1/2043	Bank of New York Mellon
FHR 3852AD 3.000% - Housir	3137AB5AB	15,825	12/1/2025	Bank of New York Mellon
FHR 3874DJ 2.000% - Housin	3137ABH53	14,112	10/1/2020	Bank of New York Mellon
FHR 3916CD 2.000% - Housir	3137AE3Q6	7,841	10/1/2018	Bank of New York Mellon
FHR 4039AB 1.500% - Housir	3137AQME5	25,392	5/1/2027	Bank of New York Mellon
FHR 4048CA 2.000% - Housir	3137AQTX6	11,967	9/1/2041	Bank of New York Mellon
FHR 3213LF 0.410% - Housin	31397AZV8	12,611	9/1/2041	Bank of New York Mellon
FN AU6247 3.500%	3138A75H7	22,694	4/1/2026	Bank of New York Mellon
FN AH6438 3.500%	3138A8EL6	368,586	2/1/2026	Bank of New York Mellon
FN AJ4880 3.000%	3138AWM67	172,741	12/1/2026	Bank of New York Mellon
FN AL4430 4.000%	3138EL4Q3	18,533	9/1/2043	Bank of New York Mellon
FN AP4559 3.000%	3138M8B51	130,223	10/1/2042	Bank of New York Mellon
FN AQ3381 3.000%	3138MJXK0	418,373	11/1/2042	Bank of New York Mellon
FN AQ8237 3.000%	3138MQEK5	145,678	2/1/2043	Bank of New York Mellon
FN AR2460 3.000%	3138NYWW1	1,126,426	12/1/2042	Bank of New York Mellon
FN AT2015 3.000%	3138WPGZ1	38,304	4/1/2043	Bank of New York Mellon
FN AT8139 3.500%	3138WWBH1	113,973	8/1/2043	Bank of New York Mellon
FN AU0924 3.500%	3138X0A24	125,426	7/1/2043	Bank of New York Mellon
FN AB7507 3.000%	31417EKV2	7,272	1/1/2043	Bank of New York Mellon
FN AB7818 3.000%	31417EKV4	62,500	2/1/2043	Bank of New York Mellon
FN MA1306 3.000%	31418ANY0	52,735	1/1/2043	Bank of New York Mellon
FN AE2539 4.500%	313419CZD8	7,765	9/1/1940	Bank of New York Mellon
Total - Wells Fargo		<u>\$ 3,266,508</u>		
Citizens Bank				
FNMA	3138EHR61	1,256,929	1/1/2027	Amarillo National Bank, TX
Total - Citizen's Bank		<u>\$ 1,256,929</u>		
1st National Bank				
Dulce NM ISD 4.25%	264430HJ1	50,000	3/1/2018	FHLB, Dallas
Bernalillo NM MSD 3.50%	085279PH4	300,000	8/1/2017	FHLB, Dallas
Total - 1st National Bank		<u>\$ 350,000</u>		
Total		<u><u>\$ 4,873,437</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, 2015

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	4,513,192	305,043	4,208,149
EMS Account	Checking	22,038	-	22,038
1/8% Economic Development Infrastructure	Savings	78,441	-	78,441
CDBG Account	Checking	-	-	-
John D Hoffman Endowment Account	Savings	1,008	-	1,008
Seizure Account	Checking	61,706	-	61,706
Savings Account	Savings	2,537	-	2,537
Certificate of Deposit	CD	166,070	-	166,070
Housing-General Operating Fund	Checking	497,822	-	497,822
Housing-CIAP Savings Account	Savings	0	-	-
Housing-CIAP Operating Account	Checking	382	-	382
Housing-Section 8 Account	Checking	141,557	-	141,557
Housing-Certificate of Deposit	CD	22,957	-	22,957
Housing-Operating Account-Chaparral Apartments	Checking	-	-	-
Housing-Operations Account-Chaparral Apartments	Checking	49,818	4,284	45,534
Housing-Security Deposits-Chaparral Apartments	Checking	4,702	-	4,702
Housing-Reserve Account-Chaparral Apartments	Checking	51,801	-	51,801
Citizens Bank				
Bank Two	Checking	\$ 1,320,749	\$ 784	\$ 1,319,965
USDA Account	Checking	-	-	-
Sanitation Capital Improvement	Savings	267,958	-	267,958
Certificate of Deposit	CD	60,000	-	60,000
First National Bank				
Sanitation Department Account	Checking	112,194	-	112,194
Princess Theatre Account	Savings	4,555	-	4,555
Logan Meal Site Donations Account	Checking	2,024	-	2,024
Certificate of Deposit	CD	155,595	-	155,595
Certificate of Deposit	CD	155,329	-	155,329
Certificate of Deposit	CD	103,552	-	103,552
Certificate of Deposit	CD	102,856	-	102,856
Housing-Security Deposit Account	Checking	7,966	-	7,966
Everyone's Credit Union				
Narcotics Account	Checking	-	-	-
Certificate of Deposit	CD	50,000	-	50,000
Tucumcari Federal Savings & Loan				
Certificate of Deposit	CD	61,649	-	61,649

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF DEPOSITORES
FOR THE YEAR ENDED JUNE 30, 2015

Schedule II

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>	<u>Carrying Balance</u>
NMFA Bank				
2011 Series Debt Reserve	Trust	-	-	-
PD Debt Service	Trust	21,832	-	21,832
PD Debt Service Reserve	Trust	36,020	-	36,020
Pool Debt Service	Trust	5,288	-	5,288
Pool Debt Service Reserve	Trust	14,803	-	14,803
Lodgers Tax Service and Program	Trust	18,122	-	18,122
Lodgers Tax Debt Service Reserve	Trust	138,058	-	138,058
WTB Program	Trust	148,438	-	148,438
Water Tank	Trust	-	-	-
Water Conversion Reuse Project	Trust	11,870	-	11,870
Drinking Water	Trust	-	-	-
Total cash in bank		<u>\$ 8,412,889</u>	<u>\$ 310,111</u>	<u>\$ 8,102,778</u>
Petty Cash - Housing & Chaparral				<u>2,856</u>
Total Cash				<u>8,105,634</u>
Cash in Busines-Type Activities Per Ex A-1				4,779,216
Cash in Governmental Activities Per Ex A-1				3,326,418

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, 2015

Participants	Responsible Party	Description
City of Clovis, City of Texico, Village of Melrose, County of Quay, City of Tucumcari, City of Logan, Village of San Jon, County of DeBaca, City of Ft. Sumner, County of Roosevelt, City of Portales, Eastern New Mexico University, Village of Elida, Guadalupe County, City of Santa Rosa and Village of Vaughn, and New Mexico State Police	NM State Police	Establish a joint Multi Jurisdictional Task Force for the prevention, investigation, control and prosecution as unlawful drugs, narcotics and controlled substances within the region.
City of Tucumcari and Quay County Government	All Agencies	Establish the Tucumcari/Quay 911 Regional Emergency Communications Center
Cities of Clovis, Tucumcari, Portales, San Jon, Logan, Texico, Melrose, Elida, and Grady; Counties of Curry, Roosevelt, and Quay.	All Agencies	Ute Reservoir Water Commission
City of Tucumcari, San Jon, and Logan; and County of Quay		Tucumcari Quay County Regional Water Authority (TQCRWA)
Quay County and City of Tucumcari	All Agencies	Housing of City Prisoners by Quay County Detention
City of Logan, Village of San Jon, City of Tucumcari, and Quay County	All Agencies	Establish the Quay County Gaming Authority in order to pursue the acquisition of a licence and ownership of a race track and casino to spur economic development in Quay County
City of Tucumcari 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	\$ 35,569	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
1/1/2014	1/1/2018	Annual	\$ (54,000)	None	None / Both
4/17/2007	Indefinite	Unknown	\$ -	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

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CITY OF TUCUMCARI

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF PERA FUND DIVISION

Public Employees retirement Association (PERA) Plan

Last 10 Fiscal Years*

JUNE 30, 2015

	Municipal General	Municipal Police
Proportion of the net pension liability	0.3199%	0.2598%
Proportionate share of the net pension liability	2,495,563	846,920
Covered-employee payroll	3,148,428	545,296
Proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	79%	155%
Plan fiduciary net position as a percentage of the total pension liability	1.41%	0.64%

*The amounts were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City present information for those years for which information is available.

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA Fund Division

Last 10 Fiscal Years**

Contractually required contribution	213,825	136,707
Contributions in relation to the contractually required contribution	213,825	136,707
Contribution deficiency (excess)	-	-
Authority's covered-employee payroll	3,148,428	545,296
Contributions as a percentage of covered-employee payroll	7%	25%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the (name of employer) will present information for those years for which information is available.

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of Assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states "based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

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

STATE OF NEW MEXICO
 CITY OF TUCUMCARI
 SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (excluding GRT)
 JUNE 30, 2015

Schedule V

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>Amount of Awarded Contract</i>	<i>Amount of Amended Contract</i>
N/A	IFB	Coronado Wrecking & Salvage Co., Inc.	\$176,467.00	
N/A	IFB	Wagner Caterpillar	\$440,555.00	
N/A	IFB	Forsgren Associates Inc	\$166,786.13	

STATE OF NEW MEXICO
CITY OF TUCUMCARI

Schedule V

SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (excluding GRT)
JUNE 30, 2015

<i>Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
Coronado Wrecking & Salvage 4200 Broadway Blvd. SE Albuquerque, NM 87105	Y	N/A	Sands Dorsey Building Demolition Project
Gran Cor 2121 Menaul Blvd. NE Albuquerque, NM 87107	Y	N/A	
Keers 5904 Florence Ave. NE Albuquerque, NM 87113	Y	N/A	
GWC Constructon, Inc. 504 E. Ave. D Lovington, NM 88260	Y	N/A	
Wagner Caterpillar 4000 Osuna Rd. NE Albuquerque, NM 87109	Y	N/A	Equipment
Aljon Mfg. 15075 Aljon Ave Ottumwa, IA 52501	Y	N/A	
Forsgren Associates Inc 4110 Cutler Ave., Suite 100 Albuquerque, NM 87110	Y	N/A	Enginneering, Sands Dorsey, Streets, etc.

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***

Auditor's Report

Tim Keller
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 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, 2015, 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 12, 2015.

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 questioned costs, which we consider to be a significant deficiency. FS 2014-004.

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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 questioned costs as items FS 2014-001 and FS 2014-002.

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 questioned costs. 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 12, 2015

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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

Tim Keller
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, 2015. 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, 2015.

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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 12, 2015

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STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

Schedule VI

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
Rural Rental Assistance Payments	NM 990419271	10.427	\$ 79,252
Total U.S. Department of Agriculture			<u>\$ 79,252</u>
U.S. Department of Housing & Urban Development (HUD)			
<i>Direct Funding</i>			
Public and Indian Housing		14.850	\$ 267,184
Section 8 Housing Choice Vouchers (1)		14.871	424,845
Capital Fund Projects		14.872	65,328
Total U.S. Department of Housing & Urban Development (HUD)			<u>\$ 757,357</u>
U.S. Department of Transportation			
Airport Improvement Program (1)		20.106	\$ 155,556
Total U.S. Department of Transportation			<u>\$ 155,556</u>
U.S. Department of Health and Human Services			
Senior Citizens Title IIIB	2010-07-6840	93.044	\$ 10,856
Senior Citizens Title IIIC1	2010-07-6840	93.045	50,427
Senior Citizens Title IIIC2	2010-07-6840	93.045	14,839
Senior Citizens NSIP	2010-07-6840	93.053	33,763
Total U.S. Department of Health and Human Services			<u>\$ 109,885</u>
Total Federal Financial Assistance			<u>\$ 1,102,050</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, 2015

Schedule VI

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 City 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 \$79,252. This amount has been included in the amount reflected under the USDA FmHA program.

4. Loan Amount

The City owed \$4,540,566 to USDA at June 30, 2015.
The Authority owed \$657,080 to FmHA at June 30, 2015.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,102,050
Total expenditures funded by other sources	<u>7,044,926</u>
Total expenditures	<u><u>\$ 8,146,976</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, 2015

Schedule VII

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
14.871	Section 8 Housing Choice Vouchers
20.106	Airport Improvement Grant

- | | |
|---|-----------|
| 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, 2015

Schedule VII

Section II – Financial Statement Findings

City of Tucumcari (Primary Government) Findings:

FS 2014-001 — Personnel Files (Compliance and Other Matter)

Condition: Twenty-five personnel files were examined during payroll testing. We noted the following items in reviewing the personnel files:

- a. One employee was not paid a rate contiguous with minimum pay requirements.
- b. One personnel file was missing authorization for insurance benefits to be deducted from payroll.

The City has reduced the number of instances due to an internal review of personnel files.

Criteria: Federal regulations require that a properly completed Form I-9 be on file for every employee hired after November 6, 1986. Good internal controls include that rates of pay be properly authorized and documented. Good internal controls include documenting authorization for payroll deductions.

Effect: The City is not in compliance with federal regulations governing proper completion of the Form I-9. Employees could be paid at a rate which is not properly authorized. Employees could be having a payroll deduction for which they did not authorize.

Cause: Personnel files are not being reviewed for accuracy and completeness.

Auditors' Recommendations: All personnel files should be reviewed and updated as needed.

Responsible Officials' Views: The City Manager will review the Human Resources processes and implement procedures to ensure Personnel files are complete and maintained properly.

Corrective Action: The human resource department has been charged with reviewing all personnel file and insuring compliance by June 30, 2016.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

Schedule VII

Section II – Financial Statement Findings (continued)

FS 2014-002 — Late Payment of Invoice (Compliance and Other Matter)

Condition: In a random sample of twenty-five disbursements, one disbursement in the amount of \$95 was for an item in which a default notice was received for late/non- payment. This appears to an isolated instance.

Criteria: Good internal controls include paying vendor invoice by their due dates.

Effect: The credit worthiness of the City could be jeopardized with vendors if invoices are not paid timely. It is also possible that late fees could be assessed by vendors for late payments.

Cause: It is unclear why the payment was made late.

Auditors' Recommendations: Procedures should be in place to ensure that vendor invoices are paid timely.

Responsible Officials' Views: Payments are processed immediately when received. In some cases, the Department Heads are required to verify and approve invoices which may be lost in their environment. In some cases the vendors do not submit invoice due in a timely manner for us to receive and process them by the due date. The City will continue to be diligent in regards to ensuring invoices are paid timely.

Corrective Action: The finance department and CFO will place emphasis on this matter in an attempt to avoid these types of findings by June 30, 2016.

FS 2014-004 — Accounts Receivable (Significant Deficiency)

Condition: The City was unable to provide the auditors with detailed information on what makes up the accounts receivable balances in the general ledger at year end. The City is in the process of soliciting and eventually implementing new accounting software which it hopes will address this issue.

Criteria: Good internal controls include having subsidiary ledgers or reports which support the amounts booked in the general ledger.

Effect: The accounts receivable balances on the general ledger could be misstated.

Cause: The software used to record cash receipts does not interface with the accounting software used by the City. The accounts receivable on the general ledger are estimates made by finance department personnel.

Auditors' Recommendations: The City is currently considering updating accounting software so that the cash receipts module and the general ledger interface with one another. The auditors recommend that the City update its accounting software. If this is not possible, the City needs to develop internal reports which support the accounts receivable balances as presented in the general ledger.

Responsible Officials' Views: The City has an RFP in process for new and updated software technology which will support our "cash" basis Book of Records.

Corrective Action: The finance and CFO is currently attempting to clear this issue in the sub-ledgers and general ledger. It is hopeful that this will be cleared in conjunction with implementation of new accounting software within the next year.

STATE OF NEW MEXICO
CITY OF TUCUMCARI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

Schedule VII

Housing Authority (Department) Findings:

Section II – Financial Statement Findings (continued)

Section III – Federal Award Findings

City of Tukumcari (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 2013-003 — Prior Period Adjustment Capital Assets (Significant Deficiency) – Resolved.
- FS 2014-001 — Personnel Files (Compliance and Other Matter) – Repeated.
- FS 2014-002 — Late Payment of Invoice (Compliance and Other Matter) -Repeated
- FS 2014-003 — Untimely Bank Deposits (Compliance and Other Matter) - Resolved
- FS 2014-004 — Accounts Receivable (Significant Deficiency) - Repeated
- FS 2014-005 — Reimbursement for Alcoholic Beverage – (Compliance and Other Matter) - Resolved

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 12, 2015 as a part of executive session. The following individuals were in attendance.

City of Tukumcari
Jared Langenegger, City Manager
Dennis Dysart, City Finance Director
Robert Lumpkin, Mayor
Amy Guterrez, Commissioner
Rick Haymaker, Commissioner
John Mihm, Commissioner
Vicki Strand, Human Resources Director
Angelica Gray, City Clerk
Viki Riddle, Housing Authority Executive Director

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

FINANCIAL DATA SCHEDULE

Housing Authority of the City of Tucumcari (NM033)

TUCUMCARI, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$495,761	\$116,832	\$612,593	\$612,593
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$24,603	\$24,603	\$24,603
114 Cash - Tenant Security Deposits	\$9,650		\$9,650	\$9,650
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$505,411	\$141,435	\$646,846	\$646,846
121 Accounts Receivable - PHA Projects	\$61		\$61	\$61
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$1,135	\$1,135	\$1,135
126 Accounts Receivable - Tenants	\$9,171		\$9,171	\$9,171
126.1 Allowance for Doubtful Accounts - Tenants	-\$917		-\$917	-\$917
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,315	\$1,135	\$9,450	\$9,450
131 Investments - Unrestricted	\$22,957		\$22,957	\$22,957
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$4,735		\$4,735	\$4,735
143 Inventories	\$5,989		\$5,989	\$5,989
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$547,407	\$142,570	\$689,977	\$689,977
161 Land	\$68,890		\$68,890	\$68,890
162 Buildings	\$2,405,505		\$2,405,505	\$2,405,505
163 Furniture, Equipment & Machinery - Dwellings	\$289,159		\$289,159	\$289,159
164 Furniture, Equipment & Machinery - Administration	\$193,209	\$9,315	\$202,524	\$202,524
165 Leasehold Improvements	\$1,197,557		\$1,197,557	\$1,197,557
166 Accumulated Depreciation	-\$2,443,410	-\$1,743	-\$2,445,153	-\$2,445,153
167 Construction in Progress	\$263,871		\$263,871	\$263,871
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,974,781	\$7,572	\$1,982,353	\$1,982,353
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$1,974,781	\$7,572	\$1,982,353	\$1,982,353
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$2,522,188	\$150,142	\$2,672,330	\$2,672,330
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$5,167		\$5,167	\$5,167
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$3,244		\$3,244	\$3,244
322 Accrued Compensated Absences - Current Portion	\$2,271		\$2,271	\$2,271

324	Accrued Contingency Liability				
325	Accrued Interest Payable				
331	Accounts Payable - HUD PHA Programs				
332	Account Payable - PHA Projects				
333	Accounts Payable - Other Government				
341	Tenant Security Deposits	\$9,650		\$9,650	\$9,650
342	Unearned Revenue				
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities				
346	Accrued Liabilities - Other				
347	Inter Program - Due To				
348	Loan Liability - Current				
310	Total Current Liabilities	\$20,332	\$0	\$20,332	\$20,332
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352	Long-term Debt, Net of Current - Operating Borrowings				
353	Non-current Liabilities - Other				
354	Accrued Compensated Absences - Non Current				
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities				
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300	Total Liabilities	\$20,332	\$0	\$20,332	\$20,332
400	Deferred Inflow of Resources				
508.4	Net Investment in Capital Assets	\$1,974,781	\$7,572	\$1,982,353	\$1,982,353
511.4	Restricted Net Position		\$24,603	\$24,603	\$24,603
512.4	Unrestricted Net Position	\$527,075	\$117,967	\$645,042	\$645,042
513	Total Equity - Net Assets / Position	\$2,501,856	\$150,142	\$2,651,998	\$2,651,998
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,522,188	\$150,142	\$2,672,330	\$2,672,330

Housing Authority of the City of Tucumcari (NM033)

TUCUMCARI, NM

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$138,803		\$138,803	\$138,803
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$138,803	\$0	\$138,803	\$138,803
70600 HUD PHA Operating Grants	\$286,245	\$424,845	\$711,090	\$711,090
70610 Capital Grants	\$46,267		\$46,267	\$46,267
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$105		\$105	\$105
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery		\$606	\$606	\$606
71500 Other Revenue	\$3,793	\$11	\$3,804	\$3,804
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$475,213	\$425,462	\$900,675	\$900,675
91100 Administrative Salaries	\$71,729	\$19,960	\$91,689	\$91,689
91200 Auditing Fees	\$5,630	\$3,000	\$8,630	\$8,630
91300 Management Fee				
91310 Book-keeping Fee	\$5,061	\$2,300	\$7,361	\$7,361
91400 Advertising and Marketing	\$166		\$166	\$166
91500 Employee Benefit contributions - Administrative	\$39,546	\$5,225	\$44,771	\$44,771
91600 Office Expenses	\$19,847	\$4,417	\$24,264	\$24,264
91700 Legal Expense				
91800 Travel	\$748	\$540	\$1,288	\$1,288
91810 Allocated Overhead				
91900 Other	\$705	\$4,157	\$4,862	\$4,862
91000 Total Operating - Administrative	\$143,432	\$39,599	\$183,031	\$183,031
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$45,306		\$45,306	\$45,306
93200 Electricity	\$5,593		\$5,593	\$5,593
93300 Gas	\$31,519		\$31,519	\$31,519
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$1,119		\$1,119	\$1,119
93000 Total Utilities	\$83,537	\$0	\$83,537	\$83,537
94100 Ordinary Maintenance and Operations - Labor	\$61,528		\$61,528	\$61,528
94200 Ordinary Maintenance and Operations - Materials and Other	\$18,313		\$18,313	\$18,313

94300 Ordinary Maintenance and Operations Contracts	\$13,211		\$13,211	\$13,211
94500 Employee Benefit Contributions - Ordinary Maintenance	\$27,684		\$27,684	\$27,684
94000 Total Maintenance	\$120,736	\$0	\$120,736	\$120,736
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$22,250		\$22,250	\$22,250
96120 Liability Insurance	\$6,563		\$6,563	\$6,563
96130 Workmen's Compensation	\$3,615		\$3,615	\$3,615
96140 All Other Insurance	\$4,747	\$700	\$5,447	\$5,447
96100 Total Insurance Premiums	\$37,175	\$700	\$37,875	\$37,875
96200 Other General Expenses	\$9,061		\$9,061	\$9,061
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$9,061	\$0	\$9,061	\$9,061
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$393,941	\$40,299	\$434,240	\$434,240
97000 Excess of Operating Revenue over Operating Expenses	\$81,272	\$385,163	\$466,435	\$466,435
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$354,089	\$354,089	\$354,089
97350 HAP Portability-In				
97400 Depreciation Expense	\$166,873	\$1,743	\$168,616	\$168,616
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$560,814	\$396,131	\$956,945	\$956,945
10010 Operating Transfer In	\$19,061		\$19,061	\$19,061
10020 Operating transfer Out	-\$19,061		-\$19,061	-\$19,061
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$85,601	\$29,331	-\$56,270	-\$56,270
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,582,719	\$120,811	\$2,703,530	\$2,703,530
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$4,738		\$4,738	\$4,738
11050 Changes in Compensated Absence Balance				

11060	Changes in Contingent Liability Balance				
11070	Changes in Unrecognized Pension Transition Liability				
11080	Changes in Special Term/Severance Benefits Liability				
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100	Changes in Allowance for Doubtful Accounts - Other				
11170	Administrative Fee Equity		\$125,539	\$125,539	\$125,539
11180	Housing Assistance Payments Equity		\$24,603	\$24,603	\$24,603
11190	Unit Months Available	1080	1680	2760	2760
11210	Number of Unit Months Leased	1044	969	2013	2013
11270	Excess Cash	\$483,523		\$483,523	\$483,523
11610	Land Purchases	\$0		\$0	\$0
11620	Building Purchases	\$6,772		\$6,772	\$6,772
11630	Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640	Furniture & Equipment - Administrative Purchases	\$5,756		\$5,756	\$5,756
11650	Leasehold Improvements Purchases	\$33,739		\$33,739	\$33,739
11660	Infrastructure Purchases	\$0		\$0	\$0
13510	CFPP Debt Service Payments	\$0		\$0	\$0
13901	Replacement Housing Factor Funds	\$0		\$0	\$0