

Sales Tax Revenue  
Improvement and Refunding  
Bonds

Series 2002

For Period Ending 6/30/12

## DEBT SERVICE SCHEDULE

<u>Fiscal Year</u>	<u>1994 Bonds</u>	<u>2002 Bonds Principal</u>	<u>2002 Bonds Interest</u>	<u>Annual Debt Service on the 2002 Bonds</u>	<u>Combined Total Debt Service</u>	<u>Coverage <sup>(1)</sup></u>
2002	\$ 178,400	--	\$ 123,421.88	\$ 123,421.88	\$ 301,821.88	38.26x
2003	179,520	\$ 25,000	164,562.50	189,562.50	369,082.50	31.29x
2004		205,000	163,562.50	368,562.50	368,562.50	31.33x
2005		215,000	155,362.50	370,362.50	370,362.50	31.18x
2006		225,000	146,762.50	371,762.50	371,762.50	31.06x
2007		230,000	137,762.50	367,762.50	367,762.50	31.40x
2008		245,000	128,562.50	373,562.50	373,562.50	30.91x
2009		255,000	118,762.50	373,762.50	373,762.50	30.90x
2010		270,000	107,925.00	377,925.00	377,925.00	30.56x
2011		255,000	96,315.00	351,315.00	351,315.00	32.87x
2012		265,000	85,095.00	350,095.00	350,095.00	32.99x
2013		275,000	73,170.00	348,170.00	348,170.00	33.17x
2014		290,000	60,382.50	350,382.50	350,382.50	32.96x
2015		305,000	46,317.50	351,317.50	351,317.50	32.87x
2016		315,000	31,525.00	346,525.00	346,525.00	33.33x
2017		335,000	16,247.50	351,247.50	351,247.50	32.88x

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(1) Based on Pledged Revenues for Fiscal year ended on June 30, 2011 (the most recent year for which audited figures are available), which were \$11,548,532. There is no assurance that Pledged Revenues received in the future will equal the Pledged Revenues used in the coverage computation.

## Taxable and Total Reported Gross Receipts

<u>Period Ending 6/30</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Agriculture	\$ 59,537	\$ 6,894	\$ 1,590	\$ 18,455	\$ (2,949)	\$ 8,078
Mining	\$ 94,361,658	\$ 75,815,849	\$ 51,601,120	\$ 64,758,352	\$ 43,434,357	\$ 30,136,751
Utilities	\$ 17,689,784	\$ 24,717,452	\$ 20,320,008	\$ 24,884,284	\$ 23,992,059	\$ 20,967,088
Construction	\$ 65,678,808	\$ 75,878,214	\$ 53,639,467	\$ 53,921,829	\$ 62,996,082	\$ 46,069,601
Manufacturing	\$ 40,859,947	\$ 32,027,228	\$ 22,505,993	\$ 18,527,461	\$ 11,406,410	\$ 16,013,061
Transportation	\$ 19,319,109	\$ 22,901,188	\$ 2,925,441	\$ 29,845,950	\$ 26,268,755	\$ 394,845
Wholesale Trade	\$ 38,494,429	\$ 31,679,673	\$ 24,631,610	\$ 34,465,241	\$ 33,430,769	\$ 26,954,946
Retail Trade	\$ 276,803,710	\$ 211,810,573	\$ 192,674,328	\$ 202,506,459	\$ 191,379,008	\$ 183,189,166
Information & Cultural Industries	\$ 28,476,071	\$ 28,517,879	\$ 19,159,779	\$ 12,379,912	\$ 9,425,040	\$ 9,882,940
Finance, Insurance, Real Estate	\$ 4,240,708	\$ 3,955,350	\$ 3,801,767	\$ 3,594,542	\$ 3,868,187	\$ 3,487,013
Real Estate & Rental & Leasing	\$ 36,097,717	\$ 28,241,836	\$ 13,639,226	\$ 24,996,152	\$ 20,219,208	\$ 8,319,031
Services	\$ 51,141,770	\$ 44,595,711	\$ 42,755,611	\$ 46,862,916	\$ 41,132,606	\$ 42,525,757
Management of Companies & Enterprises	\$ 15,760	\$ 31,805,603	\$ 18,543,701	\$ 14,050,768	\$ 6,831,487	\$ -
Educational Services	\$ 76,804	\$ 141,041	\$ 136,703	\$ 96,076	\$ 105,931	\$ 37,248
Health Care & Social Assistance	\$ 55,582,879	\$ 55,223,370	\$ 55,343,228	\$ 56,247,588	\$ 46,343,054	\$ 44,311,804
Art, Entertainment, & Recreation	\$ 130,364	\$ 236,291	\$ 54,401	\$ 192,251	\$ 206,125	\$ 130,322
Accommodation & Food Services	\$ 73,746,400	\$ 61,916,886	\$ 52,894,219	\$ 56,492,526	\$ 50,438,574	\$ 45,087,025
Other Services	\$ 106,319,223	\$ 89,891,814	\$ 89,346,319	\$ 97,800,126	\$ 88,888,465	\$ 90,245,377
Public Administration	\$ 25,852,612	\$ -	\$ -	\$ -	\$ -	\$ 1,493,527
Non-classifiable Establishments	\$ 7,790,027	\$ 2,733,753	\$ 4,551,135	\$ 4,675,389	\$ 1,676,887	\$ 5,570,194
Total Taxable Gross Receipts	\$ 942,737,315	\$ 822,096,603	\$ 668,525,647	\$ 746,316,280	\$ 662,040,056	\$ 574,823,772
Total Reported Gross Receipts	\$ 1,397,861,453	\$ 1,197,057,552	\$ 1,010,983,888	\$ 1,087,651,622	\$ 1,017,439,926	\$ 891,611,576

Source: State of New Mexico Taxation & Revenue Department

<u>Fiscal Year Ended June 30</u>	<u>State Gross Receipts Tax Revenues</u>
2012 <sup>1</sup>	\$ 11,548,532
2011 <sup>1</sup>	\$ 10,070,683
2010 <sup>1</sup>	\$ 8,189,439
2009 <sup>1</sup>	\$ 9,142,374
2008 <sup>1</sup>	\$ 8,109,991
2007 <sup>1</sup>	\$ 7,041,591

(1) 1.225% of the taxable gross receipts within a municipality is distributed to that municipality.

Source: City of Carlsbad

### **Historical Gross Receipts Tax Rates**

<u>As of July 1</u>	<u>State of New Mexico</u>	<u>Eddy County</u>	<u>City of Carlsbad</u>	<u>Total</u>
2012	3.900%	0.250%	3.2875%	7.4375%
2011	3.900%	0.250%	3.2875%	7.4375%
2010	3.900%	0.250%	3.2875%	7.4375%
2009	3.775%	0.250%	3.2875%	7.3125%
1/1/2009*	3.775%	0.250%	3.2875%	7.3125%
2008	3.775%	0.250%	2.7875%	6.8125%
2007	3.775%	0.250%	2.7875%	6.8125%

\*The gross receipts tax rate changed for the City of Carlsbad effective January 1, 2009

Source: State of New Mexico Taxation and Revenue Department

## Historical General Fund Balance Sheet

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>						
Cash and CD's	\$ 10,948,609	\$ 13,445,323	\$ 8,259,827	\$ 8,667,717	\$ 7,718,847	\$ 8,816,237
Receivables, net: <sup>(2)</sup>	\$ 6,971,372	\$ 5,077,337				
Taxes <sup>(1)</sup>	\$ -	\$ -	\$ 4,186,586	\$ 3,558,473	\$ 3,798,020	\$ 3,122,287
Accounts <sup>(1)</sup>	\$ -	\$ -	\$ 467,509	\$ 293,097	\$ 366,716	\$ 4,146
Interest <sup>(1)</sup>	\$ -	\$ -	\$ 2,530	\$ 9,294	\$ 37,709	\$ 85,368
Due from other funds	-	-	-	-	1,414,760	-
Dues from other governments*	\$ -	\$ -	\$ 68,441	\$ 31,490	\$ 49,680	\$ 84,216
<b>TOTAL ASSETS</b>	<u>\$ 17,919,981</u>	<u>\$ 18,522,660</u>	<u>\$ 12,984,893</u>	<u>\$ 12,560,071</u>	<u>\$ 13,385,732</u>	<u>\$ 12,112,254</u>
<b>LIABILITIES EQUITY AND OTHER CREDITS</b>						
Account payable	\$ 154,509	\$ 236,429	\$ 189,055	\$ 298,034	\$ 133,701	\$ 11,459
Accrued liabilities	\$ 57,118	\$ 1,046,536	\$ 984,418	\$ 830,403	\$ 719,650	\$ 563,340
Accrued salaries	\$ 362,941					
Deferred revenue	\$ 159,933	\$ 133,093	\$ 138,975	\$ 100,720	\$ 87,343	\$ 20,482
Due to other funds	\$ 4,491	\$ 4,985	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ 738,992</u>	<u>\$ 1,421,043</u>	<u>\$ 1,312,448</u>	<u>\$ 1,229,157</u>	<u>\$ 940,694</u>	<u>\$ 595,281</u>
<b>EQUITY AND OTHER CREDITS</b>						
Committed for:						
One twelfth budget reserve	\$ 2,866,261	\$ 2,594,303				
Subsequent years' expenditures	\$ 987,503	\$ 8,272,233				
Assigned	\$ -	\$ -				
Unassigned	\$ 13,327,225	\$ 6,235,081				
Unreserved: <sup>(3)</sup>						
Designated for subsequent year	\$ -	\$ -	\$ 4,161,982			
Undesignated	\$ -	\$ -	\$ 7,510,463	\$ 11,330,914	\$ 12,445,038	\$ 11,516,973
Total equity and other credits	<u>\$ 17,180,989</u>	<u>\$ 17,101,617</u>	<u>\$ 11,672,445</u>	<u>\$ 11,330,914</u>	<u>\$ 12,445,038</u>	<u>\$ 11,516,973</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$ 17,919,981</u>	<u>\$ 18,522,660</u>	<u>\$ 12,984,893</u>	<u>\$ 12,560,071</u>	<u>\$ 13,385,732</u>	<u>\$ 12,112,254</u>

<sup>(1)</sup>Revised 2007 through 2009 due to different audit presentation starting in 2007.

<sup>(2)</sup>Receivables reported net in 2011.

<sup>(3)</sup>Equity reported using new GASB requirements in 2011.

Source: City of Carlsbad, Audited Financial Statements, 2007-2012.

## Historical General Fund Revenue and Expenditures

The General Fund is used to account for all financial resources of the City except for those required to be accounted for in one of the other funds.

Fiscal year Ending June 30	2012	2011	2010	2009	2008	2007
<b>Revenues</b>						
Gross Receipts Taxes <sup>(1)(2)</sup>	\$ 29,302,066	\$ 25,478,709	\$ 21,325,197	\$ 21,682,186	\$ 19,729,485	\$ 16,879,928
Property Taxes <sup>(1)(3)</sup>	2,110,630	2,041,913	2,695,140	2,688,595	2,563,463	2,388,989
Franchise Taxes	745,441	747,496				
Public Service Taxes	-	5,437				
Licenses and permits	308,294	241,240	227,320	179,920	183,704	249,901
Charges for services	1,240,581	1,306,927	949,310	756,193	777,685	475,194
Fines and forfeits	359,111	273,309	233,559	260,609	292,305	364,147
Intergovernmental <sup>(4)</sup>	719,428	801,273	830,674	796,817	1,997,103	738,603
Federal Grants	66,679	-	-	-	-	223,415
Interest	8,085	11,657				
Miscellaneous	27,835	58,312	288,535	509,947	487,394	582,686
<b>Total Revenues</b>	<b>\$ 34,888,150</b>	<b>\$ 30,966,273</b>	<b>\$ 26,549,735</b>	<b>\$ 26,874,267</b>	<b>\$ 26,031,139</b>	<b>\$ 21,902,863</b>
<b>Expenditures</b>						
Current:						
General government	\$ 4,001,100	\$ 3,913,551	\$ 3,903,155	\$ 3,556,996	\$ 4,183,978	\$ 2,965,772
Public safety	13,929,703	13,366,259	12,762,145	11,929,000	11,539,533	10,201,541
Public works	4,090,908	4,059,922	3,921,432	3,644,860	3,522,344	2,948,038
Culture and recreation	3,387,597	3,480,985	3,261,094	3,201,416	3,161,904	2,470,280
Public health and welfare	741,857	254,529	196,229	176,376	150,849	143,302
Economic development	-	-	135,653	133,692	122,770	300,116
Capital outlay	1,241,281	454,929	1,117,339	886,447	498,120	546,508
<b>Total Expenditures</b>	<b>\$ 27,392,446</b>	<b>\$ 25,530,175</b>	<b>\$ 25,297,047</b>	<b>\$ 23,528,787</b>	<b>\$ 23,179,498</b>	<b>\$ 19,575,557</b>
Excess (deficiency) of revenues over expenditures	7,495,704	5,436,098	1,252,688	3,345,480	2,851,641	2,327,306
<b>Other Financing Sources (Uses):</b>						
Sale of assets	33,384	-	-	-	-	-
Operating transfers in	2,757,790	3,723,951	2,524,658	2,977,677	3,241,144	2,882,872
Operating transfers (out)	(10,207,506)	(3,730,877)	(3,435,815)	(7,437,281)	(5,465,052)	(1,869,048)
<b>Net Other Financing Sources (Uses)</b>	<b>(7,416,332)</b>	<b>(6,926)</b>	<b>(911,157)</b>	<b>(4,459,604)</b>	<b>(2,223,908)</b>	<b>1,013,824</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	79,372	5,429,172	341,531	(1,114,124)	627,733	3,341,130
Fund Balance (deficit) beginning	\$ 17,101,617	\$ 11,672,445	\$ 11,330,914	\$ 12,445,038	\$ 11,516,974	\$ 8,175,844
Prior period adjustment					300,331	
Fund Balance - beginning of year as restated	17,101,617	11,672,445	11,330,914	12,445,038	11,817,305	8,175,844
Fund Balance (deficit) ending	<u>\$ 17,180,989</u>	<u>\$ 17,101,617</u>	<u>\$ 11,672,445</u>	<u>\$ 11,330,914</u>	<u>\$ 12,445,038</u>	<u>\$ 11,516,974</u>

<sup>(1)</sup>Revised 2007 through 2009 due to different audit presentation starting in 2007.

<sup>(2)</sup>Title changed from State Shared Taxes to Gross Receipts Taxes because Public Service Taxes were reported separately in 2011.

<sup>(3)</sup>Title changed from Local Effort Taxes to Property Taxes because Franchise Taxes were reported separately in 2011.

<sup>(4)</sup>Title changed to Intergovernmental because State, County, and Federal Grants were reported together in 2011.

Source: City of Carlsbad, Audited Financial Statements, 2007-2012.