

# **PORCH & ASSOCIATES LLC**

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**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**

**Financial Statements, Supplementary Information  
and  
Independent Auditors' Report**

**June 30, 2010**

VILLAGE OF BOSQUE FARMS, NEW MEXICO

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**VILLAGE OF BOSQUE FARMS, NEW MEXICO**

**List of Principal Officials**

**June 30, 2010**

**Elected Officials**

Wayne Ake	Mayor
Robert G. Knowlton	Mayor Pro-Tem
William Kennedy	Councilor
Dolly Wallace	Councilor
Russell Walkup	Councilor

**Administrative Officials**

Gayle Jones	Administrator
Deborah Kelly	Treasurer

**Independent Auditors' Report**

Mr. Hector H. Balderas, Auditor and  
Mr. Wayne Ake, Mayor and  
The Village Council  
Village of Bosque Farms, New Mexico

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison of the general fund and streets fund, of the Village of Bosque Farms (Village), as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules, and budgetary comparison statements for the capital projects fund and nonmajor governmental funds as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and streets fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the capital projects fund and nonmajor governmental funds and enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Hector H. Balderas, State Auditor and  
Mr. Wayne Ake, Mayor and  
The Village Council  
Village of Bosque Farms, New Mexico

In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2010 on our consideration of the Village'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 *Governmental Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

For the year ended June 30, 2010, the Village has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual financial statements and budgetary comparisons of the Village. The supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Perch & Associates LLC*

Albuquerque, New Mexico  
November 17, 2010

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF NET ASSETS**  
**June 30, 2010**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,219,790	1,231,693	2,451,483
Receivables			
Taxes			
Gross receipts	193,369	-	193,369
Gasoline	10,750	-	10,750
Motor vehicle	2,350	-	2,350
Property	2,329	-	2,329
Franchise	33,290	-	33,290
Cigarette	195	-	195
Grants	97,483	-	97,483
Accounts receivable, net of allowance	-	144,324	144,324
Restricted cash	-	283,943	283,943
Capital assets, not depreciated	397,390	1,543,336	1,940,726
Capital assets, net of accumulated depreciation	3,990,076	10,946,802	14,936,878
	<hr/>		
<b>Total assets</b>	<b>5,947,022</b>	<b>14,150,098</b>	<b>20,097,120</b>
	<hr/>		
<b>LIABILITIES</b>			
Accounts payable	68,456	2,655	71,111
Accrued compensation and benefits	7,947	1,304	9,251
Interest payable	-	16,123	16,123
Deposits payable	-	43,300	43,300
Noncurrent liabilities:			
Compensated absences, due in one year	57,077	2,432	59,509
Long-term liabilities, due in one year	33,177	93,979	127,156
Long-term liabilities, due in more than one year	-	1,337,982	1,337,982
	<hr/>		
<b>Total liabilities</b>	<b>166,657</b>	<b>1,497,775</b>	<b>1,664,432</b>
	<hr/>		
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,354,289	11,170,138	15,524,427
Restricted for debt service	-	283,943	283,943
Unrestricted	1,426,076	1,198,242	2,624,318
	<hr/>		
<b>Total net assets</b>	<b>\$ 5,780,365</b>	<b>12,652,323</b>	<b>18,432,688</b>
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*The accompanying notes are an integral part of these financial statements.*



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2010**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government</b>		<b>Total</b>
					<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Primary government</b>							
Governmental activities							
General government	\$ 484,585	19,572	8,500	-	(456,513)	-	(456,513)
Public safety	1,498,800	106,801	324,920	-	(1,067,079)	-	(1,067,079)
Highways and streets	256,540	-	-	305,669	49,129	-	49,129
Culture and recreation	149,483	-	-	-	(149,483)	-	(149,483)
Debt service - interest	3,408	-	-	-	(3,408)	-	(3,408)
<b>Total governmental activities</b>	<b>2,392,816</b>	<b>126,373</b>	<b>333,420</b>	<b>305,669</b>	<b>(1,627,354)</b>	<b>-</b>	<b>(1,627,354)</b>
Business-type activities							
Waste Water	917,243	493,759	-	-	-	(423,484)	(423,484)
Water	329,276	533,476	-	-	-	204,200	204,200
<b>Total business-type activities</b>	<b>1,246,519</b>	<b>1,027,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(219,284)</b>	<b>(219,284)</b>
<b>Total primary government</b>	<b>\$ 3,639,335</b>	<b>1,153,608</b>	<b>333,420</b>	<b>305,669</b>	<b>(1,627,354)</b>	<b>(219,284)</b>	<b>(1,846,638)</b>
<b>General Revenues</b>							
Franchise taxes					87,900	-	87,900
Gasoline taxes					66,435	-	66,435
Gross receipts taxes					1,082,907	148,904	1,231,811
Property taxes					130,470	-	130,470
Cigarette taxes					1,216	-	1,216
Motor vehicle registrations					27,767	-	27,767
Other					8,225	8,970	17,195
Interest					27,224	19,575	46,799
Loss on the disposal of assets					(8,188)	-	(8,188)
Joint power agreement payments					158,000	-	158,000
Transfer in - General Obligation					76,164	-	76,164
Transfers					246,032	(246,032)	-
<b>Total general revenues and transfers</b>					<b>1,904,152</b>	<b>(68,583)</b>	<b>1,835,569</b>
<b>Change in net assets</b>					<b>276,798</b>	<b>(287,867)</b>	<b>(11,069)</b>
Net assets, beginning of year					5,503,567	12,940,190	18,443,757
<b>Net assets, end of year</b>					<b>\$ 5,780,365</b>	<b>12,652,323</b>	<b>18,432,688</b>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**BALANCE SHEET -**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	General	Streets	Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 900,698	30,173	288,919	1,219,790
Receivables				
Taxes				
Gross receipts	182,778	-	10,591	193,369
Gasoline	-	10,750	-	10,750
Motor vehicle	2,350	-	-	2,350
Property	2,329	-	-	2,329
Franchise	33,290	-	-	33,290
Cigarette	130	-	65	195
Grants	12,088	63,000	22,395	97,483
<b>Total assets</b>	<b>\$ 1,133,663</b>	<b>103,923</b>	<b>321,970</b>	<b>1,559,556</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 5,415	63,041	-	68,456
Accrued compensation and benefits	7,947	-	-	7,947
Deferred revenue	-	-	49,039	49,039
<b>Total liabilities</b>	<b>13,362</b>	<b>63,041</b>	<b>49,039</b>	<b>125,442</b>
<b>FUND BALANCES</b>				
Unreserved, undesignated reported in:				
General fund	1,120,301	-	-	1,120,301
Special revenue funds	-	40,882	250,381	291,263
Capital projects funds	-	-	22,550	22,550
<b>Total fund balances</b>	<b>1,120,301</b>	<b>40,882</b>	<b>272,931</b>	<b>1,434,114</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,133,663</b>	<b>103,923</b>	<b>321,970</b>	<b>1,559,556</b>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2010**

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

<b>Total fund balance - governmental funds</b>	\$ 1,434,114
Accrued compensated absences not payable from current revenues.	(57,077)
Deferred revenue is recorded as income under the accrual method, and not the modified accrual method.	49,039
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,387,466
Long-term liabilities, including capital leases payable, are not and payable in the current period and, therefore are not reported in the governmental fund.	<u>(33,177)</u>
<b>Net assets - governmental activities</b>	<u><u>\$ 5,780,365</u></u>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2010**

	General	Streets	Nonmajor Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 1,271,260	66,435	59,000	1,396,695
Licenses, permits, fees and fines	88,936	-	37,437	126,373
From federal sources:				
Grants	-	63,000	-	63,000
From non-federal sources:				
Grants	224,214	248,833	109,206	582,253
Intergovernmental	150,000	-	8,000	158,000
Interest	5,956	251	2,018	8,225
Other	27,224	-	-	27,224
<b>Total revenues</b>	<b>1,767,590</b>	<b>378,519</b>	<b>215,661</b>	<b>2,361,770</b>
<b>Expenditures</b>				
Current				
General government	434,723	-	-	434,723
Public safety	1,108,216	-	97,356	1,205,572
Highways and streets	156,863	14,163	-	171,026
Culture and recreation	121,499	-	544	122,043
Debt service - principal	21,566	-	15,998	37,564
Debt service - interest	2,303	-	1,105	3,408
Capital outlay	112,400	411,127	127,372	650,899
<b>Total expenditures</b>	<b>1,957,570</b>	<b>425,290</b>	<b>242,375</b>	<b>2,625,235</b>
Excess (deficiency) of revenues over expenditures before other financings sources	(189,980)	(46,771)	(26,714)	(263,465)
<b>Other Financing Sources (Uses)</b>				
Transfer in - General Obligation	8,268	-	67,896	76,164
Operating transfers in	321,977	-	28,469	350,446
Operating transfers out	(42,459)	-	(61,955)	(104,414)
<b>Total other financing sources (uses)</b>	<b>287,786</b>	<b>-</b>	<b>34,410</b>	<b>322,196</b>
<b>Net change in fund balances</b>	<b>97,806</b>	<b>(46,771)</b>	<b>7,696</b>	<b>58,731</b>
Fund balance, beginning of year	1,022,495	87,653	265,235	1,375,383
<b>Fund balance, end of year</b>	<b>\$ 1,120,301</b>	<b>40,882</b>	<b>272,931</b>	<b>1,434,114</b>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2010**

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

**Net changes in fund balances - governmental funds** \$ 58,731

Governmental funds report capital outlay 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. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Depreciation expense	(389,576)	
Capital outlay	<u>601,812</u>	
Excess of capital outlay over depreciation expense		212,236

The loss on disposal of assets is not recorded in the governmental financial statements, but is recorded on the entity wide statements. (8,188)

The repayment of the principal of capital loans consumes the current financial resources of governmental funds, but has no effect on net assets. 37,564

Deferred revenue is recorded as income under the accrual method, and not the modified accrual method (6,164)

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. (17,381)

**Change in net assets - governmental activities** \$ 276,798

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,224,651	1,224,651	1,310,054	85,403
Licenses, permits, fees and fines	104,300	104,300	88,936	(15,364)
Grants	248,700	248,700	228,714	(19,986)
Intergovernmental	150,000	150,000	150,000	-
Interest	12,190	12,190	5,956	(6,234)
Other	40,859	40,859	27,224	(13,635)
<b>Total revenues</b>	<b>1,780,700</b>	<b>1,780,700</b>	<b>1,810,884</b>	<b>30,184</b>
<b>Expenditures</b>				
General government	379,778	468,177	437,362	30,815
Public safety	1,165,664	1,177,476	1,108,216	69,260
Highways and streets	182,057	182,057	156,863	25,194
Culture and recreation	131,336	131,336	121,499	9,837
Debt service	-	-	23,869	(23,869)
Capital outlay	91,747	189,228	112,400	76,828
<b>Total expenditures</b>	<b>1,950,582</b>	<b>2,148,274</b>	<b>1,960,209</b>	<b>188,065</b>
(Deficiency) excess of revenues over expenditures	(169,882)	(367,574)	(149,325)	218,249
<b>Other financing sources (uses)</b>				
Transfer in - General Obligation	21,177	21,177	8,268	(12,909)
Operating transfers in	321,491	321,491	321,977	486
Operating transfers out	(42,459)	(42,459)	(42,459)	-
<b>Total other financing sources (uses)</b>	<b>300,209</b>	<b>300,209</b>	<b>287,786</b>	<b>486</b>
<b>Net change in fund balance</b>	<b>130,327</b>	<b>(67,365)</b>	<b>138,461</b>	<b>218,735</b>
Fund balance, beginning of year	1,022,495	1,022,495	1,022,495	-
<b>Fund balance, end of year</b>	<b>\$ 1,152,822</b>	<b>955,130</b>	<b>1,160,956</b>	<b>218,735</b>
<b>Non-GAAP change in fund balance</b>			\$ 138,461	
Change in:				
Accounts receivable			(38,794)	
Accrued compensation and benefits			(2,639)	
Deferred revenue			4,500	
<b>GAAP change in fund balance</b>			<b>\$ 97,806</b>	

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**STREETS**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 68,250	68,250	66,435	(1,815)
Grants	355,000	355,000	275,994	(79,006)
Interest	650	650	251	(399)
<b>Total revenues</b>	<b>423,900</b>	<b>423,900</b>	<b>342,680</b>	<b>(81,220)</b>
<b>Expenditures</b>				
Highways and streets	23,309	23,350	14,163	9,187
Capital outlay	422,117	422,117	348,086	74,031
<b>Total expenditures</b>	<b>445,426</b>	<b>445,467</b>	<b>362,249</b>	<b>83,218</b>
Net change in fund balance	(21,526)	(21,567)	(19,569)	1,998
Fund balance, beginning of year	87,653	87,653	87,653	-
<b>Fund balance, end of year</b>	<b>\$ 66,127</b>	<b>66,086</b>	<b>68,084</b>	<b>1,998</b>
Non-GAAP change in fund balance			\$ (19,569)	
Change in:				
Accounts receivable			35,839	
Accounts payable			63,041	
GAAP change in fund balance			<u>\$ (46,771)</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**BALANCE SHEET -**  
**PROPRIETARY FUNDS**  
**June 30, 2010**

	Waste Water	Water	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 788,363	443,330	1,231,693
Accounts receivable, net of allowance	83,828	60,496	144,324
Restricted cash	240,643	43,300	283,943
<b>Total current assets</b>	<b>1,112,834</b>	<b>547,126</b>	<b>1,659,960</b>
Capital Assets			
Land and water rights	1,154,573	388,763	1,543,336
Plant and equipment	14,207,981	2,116,553	16,324,534
Accumulated depreciation	(4,628,552)	(749,180)	(5,377,732)
<b>Total capital assets, net of accumulated depreciation</b>	<b>10,734,002</b>	<b>1,756,136</b>	<b>12,490,138</b>
<b>Total assets</b>	<b>\$ 11,846,836</b>	<b>2,303,262</b>	<b>14,150,098</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities			
Accounts payable	\$ -	2,655	2,655
Accrued compensation and benefits	641	663	1,304
Interest payable	14,105	2,018	16,123
Deposits payable	-	43,300	43,300
Compensated absences	2,105	327	2,432
Loans payable - current	-	73,979	73,979
Bonds payable - current	20,000	-	20,000
<b>Total current liabilities</b>	<b>36,851</b>	<b>122,942</b>	<b>159,793</b>
Noncurrent Liabilities			
Loans payable	-	37,982	37,982
Bonds payable	1,300,000	-	1,300,000
<b>Total noncurrent liabilities</b>	<b>1,300,000</b>	<b>37,982</b>	<b>1,337,982</b>
<b>Total liabilities</b>	<b>1,336,851</b>	<b>160,924</b>	<b>1,497,775</b>
Net Assets			
Invested in capital assets, net of related debt	9,414,002	1,756,136	11,170,138
Restricted for debt service	240,643	43,300	283,943
Unrestricted	855,340	342,902	1,198,242
<b>Total net assets</b>	<b>10,509,985</b>	<b>2,142,338</b>	<b>12,652,323</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,846,836</b>	<b>2,303,262</b>	<b>14,150,098</b>

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



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS -**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2010**

	Waste Water	Water	Total
Operating Revenues			
Sales and services	\$ 493,759	533,476	1,027,235
Operating expenses	456,856	239,858	696,714
Depreciation	393,600	84,860	478,460
<b>Total operating expenses</b>	<b>850,456</b>	<b>324,718</b>	<b>1,175,174</b>
Operating (Loss) Income	(356,697)	208,758	(147,939)
Nonoperating Revenues (Expenses)			
Gross receipts tax	148,904	-	148,904
Interest income	12,741	6,834	19,575
Interest expense	(66,787)	(4,558)	(71,345)
Other income	-	8,970	8,970
Transfers in	140,000	-	140,000
Transfers (out)	(188,000)	(198,032)	(386,032)
<b>Total nonoperating revenues</b> <b>(expenses)</b>	<b>46,858</b>	<b>(186,786)</b>	<b>(139,928)</b>
<b>Net (loss) income</b>	<b>(309,839)</b>	<b>21,972</b>	<b>(287,867)</b>
Net assets, beginning of year	10,819,824	2,120,366	12,940,190
<b>Net assets, end of year</b>	<b>\$ 10,509,985</b>	<b>2,142,338</b>	<b>12,652,323</b>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2010**

	Waste Water	Water	Total
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 485,117	525,937	1,011,054
Cash payments to vendors and employees	(456,329)	(250,677)	(707,006)
<b>Net cash provided by operating activities</b>	<u>28,788</u>	<u>275,260</u>	<u>304,048</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>			
Gross receipts tax revenue	148,904	-	148,904
Other income	-	8,970	8,970
Operating transfers in	140,000	-	140,000
Operating transfers out	(188,000)	(198,032)	(386,032)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>100,904</u>	<u>(189,062)</u>	<u>(88,158)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchase of capital assets	-	-	-
Principle payment on bonds	(20,000)	-	(20,000)
Interest payment on bonds	(66,787)	-	(66,787)
Principle payment on loans	-	(93,155)	(93,155)
Interest payment on loans	-	(4,558)	(4,558)
<b>Net cash used by capital and related financing activities</b>	<u>(86,787)</u>	<u>(97,713)</u>	<u>(184,500)</u>
<b>Cash Flows From Investing Activities</b>			
Interest income	12,741	6,834	19,575
<b>Net cash provided by investing activities</b>	<u>12,741</u>	<u>6,834</u>	<u>19,575</u>
<b>Net increase (decrease) in cash</b>	55,646	(4,681)	50,965
Cash, beginning of year	973,360	491,311	1,464,671
<b>Cash, end of year</b>	<u>\$ 1,029,006</u>	<u>486,630</u>	<u>1,515,636</u>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS (CONTINUED)**  
**Year Ended June 30, 2010**

		Waste Water	Water	Total
Operating (loss) income	\$	(356,697)	208,758	(147,939)
Adjustments to reconcile operating income to net cash flows:				
Depreciation expense		393,600	84,860	478,460
Changes in assets and liabilities:				
Accounts receivable		(8,642)	(8,189)	(16,831)
Accrued expenses		527	(10,819)	(10,292)
Deposits payable		-	650	650
<b>Net cash provided by operating activities</b>	\$	<u>28,788</u>	<u>275,260</u>	<u>304,048</u>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**June 30, 2010**

**ASSETS**

Cash	\$ 14,977
Accounts receivable	<u>1,841</u>
<b>Total assets</b>	<b><u><u>\$ 16,818</u></u></b>

**LIABILITIES**

Due to other entities	\$ 16,818
<b>Total liabilities</b>	<b><u><u>\$ 16,818</u></u></b>

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

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Entity.* The Village of Bosque Farms (Village) was incorporated in 1974 under the laws of the State of New Mexico. The Village operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, education, public improvements, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

**A. Financial Reporting Entity**

As required by GAAP, the financial statements present the Village and entities for which the Village is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2010.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 enterprise funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**A. Financial Reporting Entity (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principle ongoing operations.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are recorded.

Governmental 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. For this purpose, the Village 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 made.

The Village follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

*Derived tax revenues* are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes.

*Imposed nonexchange revenues – property taxes* are levied and collected by the Valencia County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10<sup>th</sup> and May 10<sup>th</sup>. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**A. Financial Reporting Entity (Continued)**

*Imposed nonexchange revenue other than property taxes* are recognized in the period when an enforceable legal claim has arisen and the resources are available.

*Government-mandated nonexchange transactions and voluntary nonexchange transactions* are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Village reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has legal claim to the resources, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The Village reports the following major governmental funds:

*General Fund.* The general fund is the Village’s primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

*Streets.* To account for funds used to maintain roads for which the Village is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of Village roads. Authority is NMSA 7-1-6.27.

Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**A. Financial Reporting Entity (Continued)**

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The Village reports the following major proprietary funds:

*Waste Water.* To account for the provision of waste water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance billing, and collection.

*Water.* To account for the provisions of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund. Financing is provided through charges to customers for service.

**B. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and money market funds. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

The Village does not have an investment policy. Village funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.
2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**B. Cash and Cash Equivalents (Continued)**

3. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.
4. Investments in the New Mexico State Treasurer external investment pool (Local Government investment Pool).

**C. Capital Assets**

Capital assets, which include software, library books, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Governmental Accounting Standards Board (GASB) 34 *Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments* allows phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Village has elected not retroactively record infrastructure assets.

Assets are recorded at historical cost or estimated historical cost if purchased or construction. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	10 - 50 years
Buildings and structures	30 years
Machinery and equipment	5 - 50 years
Furniture and fixtures	5 - 30 years
Infrastructure	5 - 50 years

Capital Assets in proprietary funds are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and other improvements	25 - 33 years
Water and sewer system	20 - 50 years
Machinery and equipment	5 - 10 years

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**C. Capital Assets (Continued)**

The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

**D. Accrued Employee Benefits**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**E. Fund Equity**

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Fund equity and net assets were reported as follows:

**Debt Service** - Amounts legally restricted for the payment of long-term debt.

**E. Fund Equity (Continued)**

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

**F. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**G. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**H. Cash Flows**

For purposes of the Statement of Cash Flows, the various enterprise funds consider all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents.

**I. Budgetary Information**

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, capital projects and enterprise funds.

The Village follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Village Administrator submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects fund and enterprise funds.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**I. Budgetary Information (Continued)**

4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

**J. Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**K. Implementation of New Accounting Standards**

During the year ended June 30, 2010, the Village adopted Government Accounting Standards Board Statement (GASB) No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51). GASB 53 and GASB 51 will not have a material impact on the Village's financial statements.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 2. CASH**

*Deposits*

*Custodial Credit Risk - Deposits.* Custodial credit risk is, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name. As of June 30, 2010, the Village's bank balance total of \$2,862,403 was exposed to credit risk in the amount of \$2,362,403 as follows:

Uninsured and collateral held by pledging bank's trust department not in the Village's name	<u>\$ 2,097,427</u>
Uninsured and uncollateralized	<u>\$ 264,976</u>

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution.

The total balance in any single financial institution may at times exceed the \$250,000 in FDIC coverage available to individual depositors. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

**NOTE 3. ACCOUNTS RECEIVABLE – PROPRIETARY FUNDS**

Accounts receivable represents billings for water and waste water fees. It is management's policy to cut off water and waste water services for non-payment. A lien is placed on the properties which have outstanding water bills. Management has not provided an allowance for doubtful accounts because it believes that the balance of the receivables is collectable.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 4. CAPITAL ASSETS**

Governmental fund capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not depreciated:					
Land	\$ 295,000	-	-	-	<b>295,000</b>
Construction in process	28,168	102,390	-	(28,168)	<b>102,390</b>
<b>Total, not depreciated</b>	<b>\$ 323,168</b>	<b>102,390</b>	<b>-</b>	<b>(28,168)</b>	<b>397,390</b>
Capital assets, depreciated:					
Buildings and improvements	\$ 2,892,452	-	-	-	<b>2,892,452</b>
Vehicles	1,011,147	43,989	(49,212)	31,101	<b>1,037,025</b>
Machinery, equipment and furniture	1,165,719	108,714	-	(10,614)	<b>1,263,819</b>
Infrastructure	1,459,511	346,719	-	28,168	<b>1,834,398</b>
<b>Total, depreciated</b>	<b>6,528,829</b>	<b>499,422</b>	<b>(49,212)</b>	<b>48,655</b>	<b>7,027,694</b>
Accumulated depreciation for:					
Buildings and improvements	957,024	110,360	-	-	<b>1,067,384</b>
Vehicles	681,140	99,271	(41,024)	20,487	<b>759,874</b>
Machinery, equipment and furniture	707,256	91,629	-	-	<b>798,885</b>
Infrastructure	323,159	88,316	-	-	<b>411,475</b>
<b>Total accumulated depreciation</b>	<b>2,668,579</b>	<b>389,576</b>	<b>(41,024)</b>	<b>20,487</b>	<b>3,037,618</b>
<b>Total capital assets, depreciated, net</b>	<b>\$ 3,860,250</b>	<b>109,846</b>	<b>(8,188)</b>	<b>28,168</b>	<b>3,990,076</b>
<b>Total capital assets, net</b>	<b>\$ 4,183,418</b>	<b>212,236</b>	<b>(8,188)</b>	<b>-</b>	<b>4,387,466</b>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities

General government	\$ 32,481
Public safety	244,141
Highways and streets	85,514
Culture and recreation	<u>27,440</u>
<b>Total depreciation expense</b>	<b>\$ 389,576</b>

The transfers above were to move assets from construction in process to infrastructure, and move items between categories.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 4. CAPITAL ASSETS (CONTINUED)**

Enterprise fund capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets, not depreciated:				
Land - Waste Water	\$ 1,154,573	-	-	1,154,573
Land - Water	14,137	-	-	14,137
Water rights	374,626	-	-	374,626
<b>Total, not depreciated</b>	<u>\$ 1,543,336</u>	-	-	<u>1,543,336</u>
Capital assets, depreciated:				
Waste Water:				
Buildings and improvements	\$ 13,540,508	-	-	13,540,508
Vehicles	304,623	-	-	304,623
Machinery and equipment	362,850	-	-	362,850
Water:				
Buildings and improvements	2,074,118	-	-	2,074,118
Vehicles	37,435	-	-	37,435
Machinery and equipment	5,000	-	-	5,000
<b>Total, depreciated</b>	<u>16,324,534</u>	-	-	<u>16,324,534</u>
Accumulated depreciation for:				
Waste Water	4,234,952	393,600	-	4,628,552
Water	664,320	84,860	-	749,180
<b>Total accumulated depreciation</b>	<u>4,899,272</u>	<u>478,460</u>	-	<u>5,377,732</u>
<b>Total capital assets, depreciated, net</b>	<u>\$ 11,425,262</u>	<u>(478,460)</u>	-	<u>10,946,802</u>
<b>Total capital assets, net</b>	<u>\$ 12,968,598</u>	<u>(478,460)</u>	-	<u>12,490,138</u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 5. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS**

During the year ended June 30, 2010, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Capital lease payable	\$ 70,741	-	(37,564)	<b>33,177</b>	33,177
Compensated absences	39,696	34,363	(16,982)	<b>57,077</b>	57,077
<b>Total</b>	<b>\$ 110,437</b>	<b>34,363</b>	<b>(54,546)</b>	<b>90,254</b>	<b>90,254</b>

*Capital Lease Payable.* During the year ended June 30, 2006, the Village entered into a lease purchase agreement for three police vehicles. The purchase price of the vehicles was \$61,872 and they are carried in capital assets at this value. The lease is payable in four yearly installments commencing July 1, 2006.

During the year ending June 30, 2008, the Village entered into a lease purchase agreement for police vehicles. The purchase price of the vehicles was \$83,972 and they are carried in capital assets at this value. The lease is payable in four annual installments commencing in 2008.

The future requirements for the capital leases are as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 33,177	1,014	<u>34,191</u>

*Accrued Compensated Absences.* Employees accrue either eight or ten hours per pay period depending on if the employee has been with the village less than or more than ten years, respectively. The maximum number of annual leave hours which may be accrued is 120 hours. Compensated absence balances have been liquidated with general fund money in prior years. Village employees accrue vacation leave as follows:

Total Years of Village Service	Yearly Accumulation
0-10 (inclusive)	96 hours
11 - or more	120 hours



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Compensated absences	\$ 1,892	8,222	(7,682)	<b>2,432</b>	2,432
Loans payable	205,116	-	(93,155)	<b>111,961</b>	73,979
Bonds payable	<u>1,340,000</u>	-	(20,000)	<b>1,320,000</b>	<u>20,000</u>
<b>Total</b>	<u>\$ 1,547,008</u>	<u>8,222</u>	<u>(120,837)</u>	<b>1,434,393</b>	<u>96,411</u>

*Notes Payable.* The Village financed the construction of the water plat and distribution system with notes payable to the New Mexico Environmental Department. The following notes are outstanding at June 30, 2010:

Rural Infrastructure loan for \$185,884, interest at 3%, payments of \$21,906 annually in December, maturing December 19, 2010	21,099
Rural Infrastructure loan for \$185,884, interest at 5%, payments of \$24,073 annually in September, maturing September 28, 2010	21,268
Rural Infrastructure loan for \$118,315, interest at 3%, payments of \$13,850 annually in April, maturing April 10, 2011	13,447
Rural Infrastructure loan for \$197,586, interest at 3%, payments of \$19,850 annually in November, maturing November 17, 2012	<u>56,147</u>
Total loans payable	<u>\$ 111,961</u>

The future requirements for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 73,979	3,359	77,338
2012	18,710	1,140	19,850
2013	<u>19,272</u>	<u>578</u>	<u>19,850</u>
	<u>\$ 111,961</u>	<u>5,077</u>	<u>117,038</u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS (CONTINUED)**

*Bonds Payable.* Pursuant to ordinance 99-2, in April 1999 the Village issued \$1,500,000 in Sewer System Improvement Revenue Bonds, Series 1999. The bonds carry a 5% interest rate and are payable solely from pledged net revenue of the sewer system. Principal plus accrued interest is paid annually in April of each year. Annual principal payments range from \$10,000 to \$80,000. The bonds mature in April 2039. Bonds held by the United States Government are redeemable at the option of the Village at par. Bonds held by other parties are redeemable by the Village at par commencing January 1, 2006. As of June 30, 2005, all of the bonds were held by the United States Government. The bonds require a monthly reserve deposit of \$721. The reserve may be used for preventing deficiencies in the payment of principal and interest as well as for certain repairs or improvements of the sewer system upon approval of the bond holder. The Village is also required to set aside one-twelfth of the next year's principal and interest payment every month. The cash reserves are shown under the caption "Restricted Cash" in the Sewer enterprise fund.

The future requirements for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 20,000	66,000	86,000
2012	25,000	65,000	90,000
2013	25,000	63,750	88,750
2014	25,000	62,500	87,500
2015	25,000	61,250	86,250
2016 to 2020	155,000	285,000	440,000
2021 to 2025	195,000	243,000	438,000
2026 to 2030	245,000	189,250	434,250
2031 to 2035	310,000	122,000	432,000
2036 to 2039	295,000	37,000	332,000
	<u>\$ 1,320,000</u>	<u>1,194,750</u>	<u>2,514,750</u>

**NOTE 7. PROPERTY TAXES**

Lincoln County is responsible for assessing, collecting, and distributing property taxes for the Village. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by May 10 of the following year. Property taxes are delinquent if not paid by December 10 and June 10. Taxes on real property are liened on January 1 of the year for which the taxes are imposed.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 8. INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2010 consisted of the following:

Transfers to the general fund from:	
Waste water	\$ 108,000
Water	158,032
General fund – interfund transfers	20,000
Nonmajor funds	<u>35,945</u>
	<u>\$ 321,977</u>
Transfers from the general fund to:	
Nonmajor funds	\$ 22,459
General fund – Interfund transfer	<u>20,000</u>
	<u>\$ 42,459</u>
Transfers to the waste water fund from:	
Water	\$ 40,000
Nonmajor funds	20,000
Waste water – interfund transfers	<u>80,000</u>
	<u>\$ 140,000</u>
Transfers from the waste water fund to:	
General fund	\$ 108,000
Waste water – interfund transfers	<u>80,000</u>
	<u>\$ 188,000</u>
Transfers from the water fund to:	
General fund	\$ 158,032
Waste water	<u>40,000</u>
	<u>\$ 198,032</u>
Transfers to the nonmajor funds from:	
General fund	\$ 22,459
Nonmajor funds	<u>6,010</u>
	<u>\$ 28,469</u>
Transfers from the nonmajor funds to:	
General fund	\$ 35,945
Sewer	20,000
Nonmajor funds	<u>6,010</u>
	<u>\$ 61,955</u>

The primary purpose of the transfers was to fund temporary operating shortfalls.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 9. PERA PENSION PLAN**

*Plan Description:* Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123.

*Funding Policy.* Plan members are required to contribute 7.00% (for police and fire personnel) to 9.15% (for regular members) of their gross salary and the Village is required to make a matching contribution of 9.15% for regular members, 15% for police personnel, and 18% for fire personnel. The contribution requirements of plan members and the Village are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the years ending June 30, 2010, 2009, and 2008 were \$188,169, \$121,995, and, \$118,046, respectively, equal to the amount of the required contributions for each year.

**NOTE 10. POST-EMPLOYMENT BENEFITS**

*Plan Description.* The Village 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 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 governing authority members who served at least four years.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 10. POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ending June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	0.833%
FY12	1.834%	0.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer plan 1; municipal police member plans 3, 4, and 5; municipal fire members coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 10. POST-EMPLOYMENT BENEFITS (CONTINUED)**

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of the two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Village's contributions to the RHCA for the fiscal years ended June 30, 2010, 2009 and 2008 were \$11,171, \$11,198, and \$11,185, respectively, which equal the required contributions for each year.

**NOTE 11. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The Village participates in the State of New Mexico Self-Insurers Fund for workers' compensation claims and employers' liability insurance including general, auto, uninsured motorist, law enforcement, and public official's errors and omissions liabilities. The policy limits for workers' compensation is unlimited and \$1,050,000 per occurrence for employer's liability. There is no deductible. Liability policy limits range from \$100,000 to \$750,000 per occurrence, with a \$4,000,000 annual aggregate per policy. Deductibles range from \$500 to \$5,000.

In addition, the Village has obtained insurance through a commercial carrier operating as a common risk management and insurance program for buildings, personal property, employee dishonesty, theft, burglar, fraud, terrorism, fine arts, and equipment breakdown. Limits range from \$10,000 to \$948,491, and deductibles range from \$500 to \$1,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with expendable available financial resources.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**NONMAJOR FUNDS**  
**June 30, 2010**

**SPECIAL REVENUE FUNDS**

*Corrections.* To establish an additional sources of funds for municipalities to offset the costs of corrections. The source of funds is a five-dollar fee which must be paid by all persons violating laws relating the operations of a motor vehicle. Authority is NMSA 33-9-3.

*Environmental Gross Receipts Tax.* To account for the revenue received from the State through gross receipts and subsequently given to the Otero/Lincoln County Regional Landfill in accordance with a joint powers agreement. Authority is by Joint Powers Agreement.

*Emergency Medical Services.* To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

*Fire Protection.* To account for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

*Law Enforcement Protection.* To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

*Recreation.* To account for revenues and expenditures relating to village recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15.

*EMS Tax.* To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

*Traffic Safety.* To account for revenues and expenditures of funds collected for the purchase and maintenance of traffic safety equipment. Authority is Village Ordinance No. 97-10 and No. 2000-02.

**CAPITAL PROJECTS FUNDS**

*Capital Projects Fund.* To account for revenues and expenses related to capital projects. Authority is by Village Ordinance.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**June 30, 2010**

	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
<b>ASSETS</b>			
Cash and cash equivalents	\$ 105,351	80,513	-
Receivables			
Taxes			
Gross receipts	-	4,484	-
Cigarette	-	-	-
Grants	-	-	-
<b>Total assets</b>	<b>\$ 105,351</b>	<b>84,997</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Unreserved, undesignated, special revenues			
Special revenue funds	105,351	84,997	-
Capital projects funds	-	-	-
<b>Total fund balances</b>	<b>105,351</b>	<b>84,997</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 105,351</b>	<b>84,997</b>	<b>-</b>



**VILLAGE OF BOSQUE FARMS, NEW MEXICO  
 COMBINING BALANCE SHEET  
 NONMAJOR FUNDS  
 June 30, 2010**

	Fire Protection	Law Enforcement Protection	Recreation
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,287	-	8,946
Receivables			
Taxes			
Gross receipts	-	-	-
Cigarette	-	-	65
Grants	-	-	-
<b>Total assets</b>	<u>\$ 10,287</u>	<u>-</u>	<u>9,011</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>FUND BALANCES</b>			
Unreserved, undesignated, special revenues			
Special revenue funds	10,287	-	9,011
Capital projects funds	-	-	-
<b>Total fund balances</b>	<u>10,287</u>	<u>-</u>	<u>9,011</u>
<b>Total liabilities and fund balances</b>	<u>\$ 10,287</u>	<u>-</u>	<u>9,011</u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**June 30, 2010**

	EMS Tax	Traffic Safety	Capital Projects
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30,856	3,772	49,194
Receivables			
Taxes			
Gross receipts	6,107	-	-
Cigarette	-	-	-
Grants	-	-	22,395
<b>Total assets</b>	<u>\$ 36,963</u>	<u>3,772</u>	<u>71,589</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Deferred revenue	\$ -	-	49,039
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>49,039</u>
<b>FUND BALANCES</b>			
Unreserved, undesignated, special revenues			
Special revenue funds	36,963	3,772	-
Capital projects funds	-	-	22,550
<b>Total fund balances</b>	<u>36,963</u>	<u>3,772</u>	<u>22,550</u>
<b>Total liabilities and fund balances</b>	<u>\$ 36,963</u>	<u>3,772</u>	<u>71,589</u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**June 30, 2010**

	Total Nonmajor
<b>ASSETS</b>	
Cash and cash equivalents	\$ 288,919
Receivables	
Taxes	
Gross receipts	10,591
Cigarette	65
Grants	22,395
<b>Total assets</b>	<u><u>\$ 321,970</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Deferred revenue	<u>\$ 49,039</u>
<b>Total liabilities</b>	<u>49,039</u>
 <b>FUND BALANCES</b>	
Unreserved, undesignated, special revenues	
Special revenue funds	250,381
Capital projects funds	22,550
<b>Total fund balances</b>	<u>272,931</u>
 <b>Total liabilities and fund balances</b>	 <u><u>\$ 321,970</u></u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - NONMAJOR FUNDS**  
**Year Ended June 30, 2010**

	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
Revenues			
Taxes	\$ -	25,252	-
Licenses, permits, fees and fines	20,802	-	-
From non-federal sources			
Grants	-	-	5,155
Intergovernmental	-	-	-
Interest	845	753	-
<b>Total revenues</b>	<b>21,647</b>	<b>26,005</b>	<b>5,155</b>
Expenditures			
Current			
Public safety	16,849	-	5,155
Culture and recreation	-	-	-
Debt service - principal	-	-	-
Debt service - interest	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>16,849</b>	<b>-</b>	<b>5,155</b>
Excess of revenues over expenditures before other financing sources	4,798	26,005	-
Other financing sources (uses)			
Transfer in - General Obligation	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(20,000)	(6,010)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(20,000)</b>	<b>(6,010)</b>
Net change in fund balances	4,798	6,005	(6,010)
Fund balance, beginning of year	100,553	78,992	6,010
<b>Fund balance, end of year</b>	<b>\$ 105,351</b>	<b>84,997</b>	<b>-</b>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - NONMAJOR FUNDS**  
**Year Ended June 30, 2010**

	Fire Protection	Law Enforcement Protection	Recreation
Revenues			
Taxes	\$ -	-	439
Licenses, permits, fees and fines	-	-	-
From non-federal sources			
Grants	77,451	26,600	-
Intergovernmental	-	-	-
Interest	420	-	-
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>77,871</b>	<b>26,600</b>	<b>439</b>
	<hr/>	<hr/>	<hr/>
Expenditures			
Current			
Public safety	45,088	9,536	-
Culture and recreation	-	-	544
Debt service - principal	-	15,998	-
Debt service - interest	-	1,105	-
Capital outlay	60,452	-	-
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>105,540</b>	<b>26,639</b>	<b>544</b>
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures before other financing sources	(27,669)	(39)	(105)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfer in - General Obligation	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(27,669)	(39)	(105)
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	37,956	39	9,116
	<hr/>	<hr/>	<hr/>
<b>Fund balance, end of year</b>	<b>\$ 10,287</b>	<b>-</b>	<b>9,011</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - NONMAJOR FUNDS**  
**Year Ended June 30, 2010**

	EMS Tax	Traffic Safety	Capital Projects
Revenues			
Taxes	\$ 33,309	-	-
Licenses, permits, fees and fines	-	16,635	-
From non-federal sources			
Grants	-	-	-
Intergovernmental	8,000	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>41,309</b>	<b>16,635</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>
Expenditures			
Current			
Public safety	10,356	10,372	-
Culture and recreation	-	-	-
Debt service - principal	-	-	-
Debt service - interest	-	-	-
Capital outlay	-	-	66,920
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>10,356</b>	<b>10,372</b>	<b>66,920</b>
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures before other financing sources	<b>30,953</b>	<b>6,263</b>	<b>(66,920)</b>
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfer in - General Obligation	-	-	67,896
Operating transfers in	6,010	-	22,459
Operating transfers out	-	-	(35,945)
	<hr/>	<hr/>	<hr/>
<b>Total other financing sources (uses)</b>	<b>6,010</b>	<b>-</b>	<b>54,410</b>
	<hr/>	<hr/>	<hr/>
Net change in fund balances	36,963	6,263	(12,510)
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	(2,491)	35,060
	<hr/>	<hr/>	<hr/>
<b>Fund balance, end of year</b>	<b>\$ 36,963</b>	<b>3,772</b>	<b>22,550</b>
	<hr/>	<hr/>	<hr/>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - NONMAJOR FUNDS**  
**Year Ended June 30, 2010**

	Total Non-major
Revenues	
Taxes	\$ 59,000
Licenses, permits, fees and fines	37,437
From non-federal sources	
Grants	109,206
Intergovernmental	8,000
Interest	2,018
	<hr/>
<b>Total revenues</b>	<b>215,661</b>
	<hr/>
Expenditures	
Current	
Public safety	97,356
Culture and recreation	544
Debt service - principal	15,998
Debt service - interest	1,105
Capital outlay	127,372
	<hr/>
<b>Total expenditures</b>	<b>242,375</b>
	<hr/>
Excess of revenues over expenditures before other financing sources	<u>(26,714)</u>
Other financing sources (uses)	
Transfer in - General Obligation	67,896
Operating transfers in	28,469
Operating transfers out	(61,955)
	<hr/>
<b>Total other financing sources (uses)</b>	<b>34,410</b>
	<hr/>
Net change in fund balances	7,696
Fund balance, beginning of year	<u>265,235</u>
<b>Fund balance, end of year</b>	<u><u>\$ 272,931</u></u>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**CORRECTIONS**  
**Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 35,000	35,000	20,802	(14,198)
Interest	2,000	2,000	845	(1,155)
<b>Total revenues</b>	<b>37,000</b>	<b>37,000</b>	<b>21,647</b>	<b>(15,353)</b>
<b>Expenditures</b>				
Public safety	40,650	40,650	16,849	23,801
<b>Total expenditures</b>	<b>40,650</b>	<b>40,650</b>	<b>16,849</b>	<b>23,801</b>
Net change in fund balance	(3,650)	(3,650)	4,798	8,448
Fund balance, beginning of year	100,553	100,553	100,553	-
<b>Fund balance, end of year</b>	<b>\$ 96,903</b>	<b>96,903</b>	<b>105,351</b>	<b>8,448</b>



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**ENVIRONMENTAL GROSS RECEIPTS TAX**  
**Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Municipal taxes	\$ 22,800	22,800	24,433	1,633
Interest	1,400	1,400	753	(647)
<b>Total revenues</b>	<b>24,200</b>	<b>24,200</b>	<b>25,186</b>	<b>986</b>
Expenditures				
General government	1,675	1,675	-	1,675
<b>Total expenditures</b>	<b>1,675</b>	<b>1,675</b>	<b>-</b>	<b>1,675</b>
Excess of revenues over expenditures	22,525	22,525	25,186	2,661
Other financing uses				
Operating transfers out	(20,000)	(20,000)	(20,000)	-
Net change in fund balance	2,525	2,525	5,186	2,661
Fund balance, beginning of year	78,992	78,992	78,992	-
<b>Fund balance, end of year</b>	<b>\$ 81,517</b>	<b>81,517</b>	<b>84,178</b>	<b>2,661</b>
Non-GAAP change in fund balance			\$ 5,186	
Change in:				
Accounts receivable			819	
GAAP change in fund balance			<u>\$ 6,005</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**EMERGENCY MEDICAL SERVICES**  
**Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Grants	5,155	5,155	5,155	-
Interest	294	294	-	(294)
<b>Total revenues</b>	<b>5,449</b>	<b>5,449</b>	<b>5,155</b>	<b>(294)</b>
Expenditures				
Public safety	5,449	8,449	5,155	3,294
<b>Total expenditures</b>	<b>5,449</b>	<b>8,449</b>	<b>5,155</b>	<b>3,294</b>
Excess of revenues over expenditures	-	(3,000)	-	3,000
Other financing uses				
Operating transfers out	(6,010)	(6,010)	(6,010)	-
Net change in fund balance	(6,010)	(9,010)	(6,010)	3,000
Fund balance, beginning of year	6,010	6,010	6,010	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>(3,000)</b>	<b>-</b>	<b>3,000</b>
Prior year cash appropriated		3,000		
		<u>\$ -</u>		

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**FIRE PROTECTION**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Grants	\$ 77,451	77,451	77,451	-
Interest	1,100	1,100	420	(680)
<b>Total revenues</b>	<b>78,551</b>	<b>78,551</b>	<b>77,871</b>	<b>(680)</b>
<b>Expenditures</b>				
Public safety	31,328	50,195	45,088	5,107
Capital outlay	28,356	60,451	60,452	(1)
<b>Total expenditures</b>	<b>59,684</b>	<b>110,646</b>	<b>105,540</b>	<b>5,106</b>
Net change in fund balance	18,867	(32,095)	(27,669)	4,426
Fund balance, beginning of year	37,956	37,956	37,956	-
<b>Fund balance, end of year</b>	<b>\$ 56,823</b>	<b>5,861</b>	<b>10,287</b>	<b>4,426</b>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**LAW ENFORCEMENT PROTECTION**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 26,600	26,600	26,600	-
<b>Total revenues</b>	<b>26,600</b>	<b>26,600</b>	<b>26,600</b>	<b>-</b>
Expenditures				
Public safety	9,536	9,536	9,536	-
Debt service - principal	16,913	16,913	15,998	915
Debt service - interest	190	190	1,105	(915)
<b>Total expenditures</b>	<b>26,639</b>	<b>26,639</b>	<b>26,639</b>	<b>-</b>
Net change in fund balance	(39)	(39)	(39)	-
Fund balance, beginning of year	39	39	39	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**RECREATION**  
**Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 696	696	451	(245)
<b>Total revenues</b>	<b>696</b>	<b>696</b>	<b>451</b>	<b>(245)</b>
Expenditures				
Culture and recreation	1,800	1,800	544	1,256
<b>Total expenditures</b>	<b>1,800</b>	<b>1,800</b>	<b>544</b>	<b>1,256</b>
Net change in fund balance	(1,104)	(1,104)	(93)	1,011
Fund balance, beginning of year	9,116	9,116	9,116	-
<b>Fund balance, end of year</b>	<b>\$ 8,012</b>	<b>8,012</b>	<b>9,023</b>	<b>1,011</b>
Non-GAAP change in fund balance			\$ (93)	
Change in:				
Accounts receivable			(12)	
GAAP change in fund balance			<u>\$ (105)</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**EMS TAX**  
**Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 52,800	52,800	27,202	(25,598)
Intergovernmental	-	-	8,000	8,000
Interest	300	300	-	(300)
<b>Total revenues</b>	<b>53,100</b>	<b>53,100</b>	<b>35,202</b>	<b>(17,898)</b>
<b>Expenditures</b>				
Public safety	42,450	42,450	10,356	32,094
Capital outlay	8,800	8,800	-	8,800
<b>Total expenditures</b>	<b>51,250</b>	<b>51,250</b>	<b>10,356</b>	<b>40,894</b>
Excess of revenues over expenditures	1,850	1,850	24,846	22,996
Other financing sources				
Operating transfers in	6,010	6,010	6,010	-
Net change in fund balance	7,860	7,860	30,856	22,996
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ 7,860</b>	<b>7,860</b>	<b>30,856</b>	<b>22,996</b>
Non-GAAP change in fund balance			\$ 30,856	
Change in:				
Accounts receivable			6,107	
GAAP change in fund balance			<u>\$ 36,963</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**TRAFFIC SAFETY**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Fines and forfeitures	\$ 29,400	29,400	16,635	(12,765)
<b>Total revenues</b>	<b>29,400</b>	<b>29,400</b>	<b>16,635</b>	<b>(12,765)</b>
Expenditures				
Public safety	29,400	29,400	15,721	13,679
<b>Total expenditures</b>	<b>29,400</b>	<b>29,400</b>	<b>15,721</b>	<b>13,679</b>
Net change in fund balance	-	-	914	914
Fund balance, beginning of year	(2,491)	(2,491)	(2,491)	-
<b>Fund balance, end of year</b>	<b>(2,491)</b>	<b>(2,491)</b>	<b>(1,577)</b>	<b>914</b>
Prior year cash appropriated	2,491	2,491	1,577	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ 914	
Change in:				
Accounts payable			<u>(5,349)</u>	
GAAP change in fund balance			<u>\$ 6,263</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 15,000	15,000	-	(15,000)
Expenditures				
Capital outlay	414,753	415,040	66,920	348,120
Excess of revenues over expenditures	(399,753)	(400,040)	(66,920)	333,120
Other financing sources (uses)				
Transfer in - General Obligation	371,935	371,935	68,943	(302,992)
Operating transfers in	22,459	22,459	22,459	-
Operating transfers out	(22,459)	(22,459)	(35,945)	(13,486)
<b>Total other financing         sources (uses)</b>	<b>371,935</b>	<b>371,935</b>	<b>55,457</b>	<b>(316,478)</b>
Net change in fund balance	(27,818)	(28,105)	(11,463)	16,642
Fund balance, beginning of year	35,060	35,060	35,060	-
<b>Fund balance, end of year</b>	<b>\$ 7,242</b>	<b>6,955</b>	<b>23,597</b>	<b>16,642</b>
Non-GAAP change in fund balance			\$ (11,463)	
Change in:				
Receivables			617	
Deferred revenue			1,664	
GAAP change in fund balance			<u>\$ (12,510)</u>	



**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**WASTE WATER ENTERPRISE FUND**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 463,732	463,732	485,117	21,385
Gross receipts tax	145,800	145,800	148,904	3,104
Interest	25,920	25,920	12,741	(13,179)
<b>Total revenues</b>	<b>635,452</b>	<b>635,452</b>	<b>646,762</b>	<b>11,310</b>
<b>Expenses</b>				
Operating	323,552	323,552	456,329	(132,777)
Capital outlay	157,030	182,545	-	182,545
Debt service	186,308	186,308	86,787	99,521
<b>Total expenditures</b>	<b>666,890</b>	<b>692,405</b>	<b>543,116</b>	<b>149,289</b>
Excess of revenues over expenditures	(31,438)	(56,953)	103,646	160,599
<b>Other financing sources (uses)</b>				
Operating transfers in	221,308	221,308	140,000	(81,308)
Operating transfers out	(275,000)	(275,000)	(188,000)	87,000
<b>Total other financing sources (uses)</b>	<b>(53,692)</b>	<b>(53,692)</b>	<b>(48,000)</b>	<b>5,692</b>
Net change in net assets	(85,130)	(110,645)	55,646	166,291
Net assets, beginning of year	10,819,824	10,819,824	10,819,824	-
<b>Net assets, end of year</b>	<b>\$ 10,734,694</b>	<b>10,709,179</b>	<b>10,875,470</b>	<b>166,291</b>
Non-GAAP change in fund balance			\$ 55,646	
Change in:				
Receivables			8,642	
Other accrued expenses			527	
Non-budgeted items				
Debt service - principal			20,000	
Depreciation			(393,600)	
GAAP change in net assets			<u>\$ (309,839)</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)**  
**WATER ENTERPRISE FUND**  
**Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 510,650	510,650	525,287	14,637
Fines and forfeitures	600	600	-	(600)
Interest	15,704	15,704	6,834	(8,870)
Other income	-	-	8,970	8,970
<b>Total revenues</b>	<b>526,954</b>	<b>526,954</b>	<b>541,091</b>	<b>14,137</b>
<b>Expenses</b>				
Operating	278,739	278,739	241,216	37,523
Capital outlay	44,117	44,117	-	44,117
Debt service	90,000	90,000	97,712	(7,712)
<b>Total expenditures</b>	<b>412,856</b>	<b>412,856</b>	<b>338,928</b>	<b>73,928</b>
Excess of revenues over expenditures	114,098	114,098	202,163	88,065
<b>Other financing sources (uses)</b>				
Operating transfers in	105,000	105,000	-	(105,000)
Operating transfers out	(297,340)	(297,340)	(198,032)	99,308
<b>Total other financing sources (uses)</b>	<b>(192,340)</b>	<b>(192,340)</b>	<b>(198,032)</b>	<b>99,308</b>
Net change in net assets	(78,242)	(78,242)	4,131	187,373
Net assets, beginning of year	2,120,366	2,120,366	2,120,366	-
<b>Net assets, end of year</b>	<b>\$ 2,042,124</b>	<b>2,042,124</b>	<b>2,124,497</b>	<b>187,373</b>
Non-GAAP change in fund balance			\$ 4,131	
Change in:				
Receivables			8,189	
Accounts payable			1	
Other accrued expenses			(1,359)	
Non-budgeted items				
Debt service - principal			93,154	
Depreciation			(84,860)	
GAAP change in net assets			<u>\$ 21,972</u>	

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**AGENCY FUNDS**  
**June 30, 2010**

*Municipal Judge's Fund.* To account for the receipt and disbursement of money collected through the Municipal Judicial System and held for payment to various other state and local governmental agencies.

*Municipal Judge's Bond Fund.* To account for the receipt and disbursement of bond funds collected through the Municipal Judicial System and held for refund or conversion to pay fines and fees.

*Living Cross EMS Fund.* To account for the receipt and disbursement of money held by the Village on behalf of Living Cross EMS.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -**  
**AGENCY FUNDS**  
**Year Ended June 30, 2010**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>MUNICIPAL JUDGE'S FUND</b>				
<b>ASSETS</b>				
Cash	\$ 12,499	15,757	18,105	10,151
Due to other funds	1,866	-	25	1,841
<b>Total assets</b>	<b>\$ 14,365</b>	<b>15,757</b>	<b>18,130</b>	<b>11,992</b>
<b>LIABILITIES</b>				
Due to other entities	\$ 14,365	15,757	18,130	11,992
<b>Total liabilities</b>	<b>\$ 14,365</b>	<b>15,757</b>	<b>18,130</b>	<b>11,992</b>
<b>MUNICIPAL JUDGE'S BOND FUND</b>				
<b>ASSETS</b>				
Cash	\$ 4,669	5,877	5,939	4,607
<b>Total assets</b>	<b>\$ 4,669</b>	<b>5,877</b>	<b>5,939</b>	<b>4,607</b>
<b>LIABILITIES</b>				
Due to other entities	\$ 4,669	5,877	5,939	4,607
<b>Total liabilities</b>	<b>\$ 4,669</b>	<b>5,877</b>	<b>5,939</b>	<b>4,607</b>
<b>LIVING CROSS EMS</b>				
<b>ASSETS</b>				
Cash	\$ -	219	-	219
<b>Total assets</b>	<b>\$ -</b>	<b>219</b>	<b>-</b>	<b>219</b>
<b>LIABILITIES</b>				
Due to other entities	\$ -	219	-	219
<b>Total liabilities</b>	<b>\$ -</b>	<b>219</b>	<b>-</b>	<b>219</b>
<b>TOTAL</b>				
<b>ASSETS</b>				
Cash	\$ 17,168	21,853	24,044	14,977
Due from other funds	1,866	-	25	1,841
<b>Total assets</b>	<b>\$ 19,034</b>	<b>21,853</b>	<b>24,069</b>	<b>16,818</b>
<b>LIABILITIES</b>				
Due to other entities	\$ 19,034	21,853	24,069	16,818
<b>Total liabilities</b>	<b>\$ 19,034</b>	<b>21,853</b>	<b>24,069</b>	<b>16,818</b>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**SCHEDULE OF DEPOSIT ACCOUNTS**  
**June 30, 2010**

Depository	Account Name	Type	Depository Balance	Reconciled Balance
First Community Bank	General Pooled Cash	Checking	\$ 390,236	382,337
First Community Bank	Special Revenue Pooled Cash	Checking	102,471	65,090
First Community Bank	Utility Enterprise Account	Checking	208,283	181,181
First Community Bank	Payroll Account	Checking	41,879	-
First Community Bank	Capital Project Account	Checking	49,194	49,194
First Community Bank	Money Market - High Wealth	Money Mkt	518,161	518,161
First Community Bank	Money Market - High Wealth	Money Mkt	204,808	204,808
First Community Bank	Money Market - High Wealth	Money Mkt	1,334,305	1,334,305
Cash and cash equivalents			2,849,337	2,735,076
Petty cash	Village Clerk's petty cash - General		-	200
Petty cash	Water Department's petty cash		-	150
<b>Total cash and cash equivalents - non-agency funds</b>			<b>\$ 2,849,337</b>	<b>2,735,426</b>
Agency funds cash accounts				
First Community Bank	Municipal Court Pooled Cash		\$ 12,847	14,758
First Community Bank	Cash held for Living Cross EMS		219	219
			<b>\$ 13,066</b>	<b>14,977</b>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**June 30, 2010**

	First Community Bank
Deposits at June 30, 2010	\$ 2,862,403
Less: FDIC coverage	500,000
Uninsured public funds	<u>2,362,403</u>
Pledged collateral held by the pledging bank's trust department or agent but not in the Village's name	<u>2,097,427</u>
Uninsured and uncollateralized	<u>\$ 264,976</u>
50% pledged collateral requirement per statute	\$ 1,306,092
Total pledged collateral	<u>2,097,427</u>
Pledged collateral over the requirement	<u>\$ (791,335)</u>

Pledged collateral at June 30, 2010 consists of the following:

Security	CUSIP	Maturity	Market Value
MBS GNMA I 15-YR SF Bond	3620A6FL6	8/15/2024	\$ 1,167,387
GNR Bond 2009-42 MA	38374UWL1	1/20/1936	630,001
GNR Bond 2009-87 CA	38376KNR8	1/20/1933	300,039
			<u>\$ 2,097,427</u>

The custodian of the pledged securities for First Community Bank is the Federal Home Loan Bank in Dallas, Texas.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**June 30, 2010**

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Village	Amount contributed by Village during fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
Prisoner Housing	Valencia County Village of Bosque Farms	Valencia County	To provide housing of municipal prisoners arrested by the Village and confined in the Valencia County Detention Center	12/04 to indefinite	\$61.17 per inmate	\$ 18,070	Valencia County	Valencia County
Animal Control	Valencia County Animal Control Center Village of Bosque Farms	Valencia County Animal Control Center	Collect and keep custody of animals	07/02 to indefinite	\$18 per hour with a two hour minimum. \$202 per month for custody of dogs and cats.	\$ 5,436	Valencia County	Valencia County
Wildfire Protection Activities	State of New Mexico Energy, Minerals and Natural Resources Department Village of Bosque Farms	State of New Mexico Energy, Minerals and Natural Resources Department	To provide a cooperative fire protection system covering any or all private, County, non-municipal, and State lands within or adjacent to the Village	Indefinite	Payments are on a reimbursement basis	\$ -	State of New Mexico Energy, Minerals and Natural Resources Department	State of New Mexico Energy, Minerals and Natural Resources Department
Local Building Permit Review and Inspection Services	City of Belen Village of Los Lunas County of Valencia Village of Bosque Farms	Joint	Provision of local building permit review and inspection services	Indefinite	The Village pays its own inspectors	\$ -	Joint	Joint
Emergency 911 Regional Emergency Communications Center	City of Belen Village of Los Lunas Village of Bosque Farms	Village of Los Lunas	Provision of enhanced emergency 911 services; establishment of the Valencia Regional Emergency Communications Center	Indefinite	\$32,500 per year	\$ 24,668	Village of Los Lunas	Village of Los Lunas
Police Services	Town of Peralta Village of Bosque Farms	Village of Bosque Farms	Provision of police services by the Village of Bosque Farms to the Town of Peralta	July 1, 2009 to June 30, 2010	\$150,000 per year paid to the Village of Bosque Farms by the Town of Peralta	\$ -	Village of Bosque Farms	Village of Bosque Farms
Emergency Medical Services	Town of Peralta Village of Bosque Farms	Village of Bosque Farms	Provision of EMS by the Village of Bosque Farms to the Town of Peralta	July 1, 2009 to June 30, 2010	\$4,200 per year paid to the Village of Bosque Farms by the Town of Peralta	\$ -	Village of Bosque Farms	Village of Bosque Farms

**VILLAGE OF BOSQUE FARMS  
SCHEDULE OF APPROPRIATIONS  
JUNE 30, 2010**

Appropriation	Beginning Date	Ending Date	Original Amount	Funds Expended	Funds Remaining
07-L-G-5638	2007	06/30/2009	150,000	145,307	-
08-L-G-3278	2008	06/30/2012	260,000	8,841	-
08-L-G-3278	2008	06/30/2012	21,963	18,195	3,768
08-L-G-4556	2008	06/30/2010	17,000	16,240	-
08-L-G-4555	2008	06/30/2010	20,000	15,113	-
08-L-G-4555	2008	06/30/2012	4,200	4,200	-
08-L-G-4561	2008	06/30/2012	20,000	19,562	-
08-L-G-4557	2008	06/30/2010	50,000	31,711	18,289
09-L-G-3708	2009	06/30/2010	30,000	-	-
09-L-G-3709	2009	06/30/2010	22,459	22,459	-
SAP 06-1269-GF	2006	06/30/2010	100,000	76,620	-
SAP 06-1269-GF	2006	06/30/2010	8,581	1,194	7,387
SAP 07-4607-GF	2007	06/30/2011	200,000	177,928	-
SAP 08-3944-GF	2008	06/30/2012	15,000	-	-
<b>Total</b>			<b>509,203</b>	<b>383,222</b>	<b>29,444</b>

Unexpended balances will be earned when all grant requirements have been met.

The funds remaining are encumbered.



# PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS  
10612 ROYAL BIRKDALE NE  
ALBUQUERQUE, NM 87111

## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Governmental Auditing Standards***

Mr. Hector H. Balderas, State Auditor and  
Mr. Wayne Ake, Mayor and  
The Village Council  
Village of Bosque Farms, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and streets fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Village of Bosque Farms, New Mexico (Village), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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

Mr. Hector H. Balderas, State Auditor and  
Mr. Wayne Ake, Mayor and  
The Village Council  
Village of Bosque Farms, New Mexico

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies in internal control over financial reporting: 07-1. As *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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of the Village of Bosque Farms' management, Village Councilors, the Department of Finance and Administration, the New Mexico State Legislature, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Perch & Associates LLC*

Albuquerque, New Mexico  
November 17, 2010

**VILLAGE OF BOSQUE FARMS, NEW MEXICO**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2010**

07-1	Preparation of Financial Statements (Significant Deficiency)	Modified and repeated
08-1	Capital Assets	Resolved
09-1	Internal Control over Travel and Per Diem	Resolved

**VILLAGE OF BOSQUE FARMS, NEW MEXICO  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2010**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-1 Preparation of Financial Statements (Significant Deficiency)**

**CONDITION**

The Auditing Standards Board has issued *Statement on Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in and Audit* (SAS 115). The new standard provides guidance to auditors on communicating matters related to an entity's internal control over financial reporting identified in an audit of financial statements. The standard requires the auditor to evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses.

SAS 115 provides examples of circumstances that may be control deficiencies, significant deficiencies or material weaknesses (these terms are defined in the report on internal control above). One of the examples provided by SAS 115 is:

Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

The auditor prepares the financial statements for the Village because Village staff does not have the training or experience to prepare financial statements.

**CRITERIA**

The Village's accounting staff should have the training and experience necessary to prepare the Village's financial statements. SAS 115 indicates that a lack of qualifications to prepare the financial statements is a control deficiency.

**EFFECT**

The Village's management and accounting staff may not be able to detect errors in reporting or financial presentation if they exist. Management may not be qualified to review the financial statements prepared by the auditor.

**CAUSE**

The Village's accounting staff has not been trained on Governmental Accounting Standards and the related procedures to prepare financial statements.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2010**

**FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**07-1 Preparation of Financial Statements (Significant Deficiency) (Continued)**

**RECOMMENDATION**

We recommend that Village employees who participate in the accounting function obtain training in governmental accounting and the preparation of financial statements.

**MANAGEMENT RESPONSE**

Management understands the finding, but does not agree with the finding because there is not a standard for all municipalities regarding this rule. It appears that there is not a standard resolution to this finding, nor is there a standard training regarding this rule. It appears that there needs to be a standard statewide training for Clerks and Treasurers. In these economic times and this economic climate, spending money on an outside CPA firm is not cost effective for the smaller municipalities.

Our DFA Budget Analyst has suggested that a meeting be held with the State Auditor to discuss a and possibly develop training that will help resolve this finding. We are in the process of trying to set this meeting.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO  
EXIT CONFERENCE  
Year Ended June 30, 2010**

An exit conference was held on November 18, 2010, and attended by the following:

Village of Bosque Farms, New Mexico

Wayne Ake, Mayor  
Robert G. Knowlton, Mayor Pro-Tem  
Gayle Jones, Village Administrator  
Debra Kelly, Treasurer  
Donna Baker, Planning and Zoning Officer

Porch & Associates LLC

Thad Porch, Managing Principal

\* \* \* \* \*

The financial statements were prepared by Porch & Associates LLC from the books and records of the Village of Bosque Farms. However, the contents of these financial statements remain the responsibility of the Village's management.