

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2006**

Prepared by  
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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS**

**Official Roster  
June 30, 2006**

Eddie Espinoza	Mayor
Roberto Gutierrez	Mayor Pro-tem
Blas Gutierrez	Trustee
Brian Houltin	Trustee
Allen Rosenberg	Trustee
Nicole Lawson	Clerk
Javier Lozano	Judge
Jose Ojeda	Police Administrator

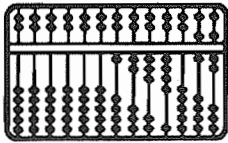
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## **FINANCIAL SECTION**



**MARCUS,  
FAIRALL,  
BRISTOL + CO., L.L.P.**

Independent Auditor's Report

Hector H. Balderas  
New Mexico State Auditor  
Board of Trustees  
Village of Columbus, New Mexico

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Columbus, New Mexico, (Village) as of and for the year-ended June 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village's non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year-ended June 30, 2006 as listed in the table of contents. These financial statements are the responsibility of Village of Columbus, New Mexico's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with 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 of the United States of America 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 Village of Columbus, New Mexico, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Fire 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 non-major governmental fund of Village of Columbus, New Mexico, as of June 30, 2006, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the non-major governmental funds, enterprise fund, and private-purpose trust fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2008 on our consideration of Village of Columbus, New Mexico's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons of the Village of Columbus, New Mexico. The accompanying information listed as Supporting Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Also, the accompanying Schedule of Changes in Assets and Liabilities for the Agency Funds, as required by SAO Rule 2.2.2.10.BB, is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Marcus, Faniel, Bristol & Co. LLP*

El Paso, Texas  
June 3, 2008



**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
June 30, 2006**

**Management's Discussion and Analysis**

As management of Village of Columbus, we offer readers of Village of Columbus financial statements this narrative overview and analysis of the financial activities of Village of Columbus for the fiscal year-ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with the financial statements of Village of Columbus and additional information provided.

**Financial Highlights**

- The net assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$7,598,873. Of this amount, \$631,067 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Revenues for governmental activities increased \$1,234,247.
- Expenditures for governmental activities increased \$163,267.
- As of June 30, 2006, the Village's governmental funds reported combined ending fund balances of \$350,289.
- As of June 30, 2006, unreserved, undesignated fund balance of the general fund was \$113,889.
- The debt service was reduced by \$8,932.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Village of Columbus' basic financial statements. Village of Columbus' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of Village of Columbus' finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Village of Columbus' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Village of Columbus is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenue and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Village of Columbus that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Village of Columbus include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Village include utility services. The government-wide financial statements can be found at exhibits A-1 and A-2 of this report.

**STATE OF NEW MEXICO  
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June 30, 2006**

**Management's Discussion and Analysis**

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Village of Columbus, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Village of Columbus can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental Funds***

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Village's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Village of Columbus maintains thirty individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Fire Fund, both of which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Village of Columbus adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 through C-2 of this report.

***Proprietary Funds***

Proprietary funds are generally used to account for services for which the Village charges customers, either outside customers or internal units or departments of the Village. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Village maintains one proprietary fund and no component unit.

The basic proprietary fund financial statements can be found at Exhibit D-1 through D-3.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Village of Columbus' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Village of Columbus fiduciary funds account for the collection of special fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statements can be found at Exhibit E-1 and E-2 of this report.

**STATE OF NEW MEXICO**  
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**June 30, 2006**

**Management's Discussion and Analysis**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-40 of this report.

**Combining Statements**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 43-68 of this report.

**Analysis of Net Assets**

As noted earlier, assets may serve over time as a useful indicator of a government's financial position. In the case of Village of Columbus, net assets exceeded liabilities by \$7,598,873 at the close of the current fiscal year.

The largest portion of Village of Columbus' net assets represents the Village's investment of \$6,958,884 in capital assets (e.g., land improvements, buildings, infrastructure and machinery and equipment), less any related outstanding debt used to acquire those assets. Village of Columbus uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Village of Columbus' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net assets, \$8,922, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$631,067 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Village of Columbus is able to report positive balances in all three categories of net assets, for the government as a whole as well as for the business-type activities. (See page 7)

**Analysis of Changes in Net Assets**

During the current fiscal year, the Village's net assets overall, increased by \$510,144. This increase is explained in the government activities discussion below, and is primarily a result of an increase in grant revenue. (See page 8)

**Governmental Activities**

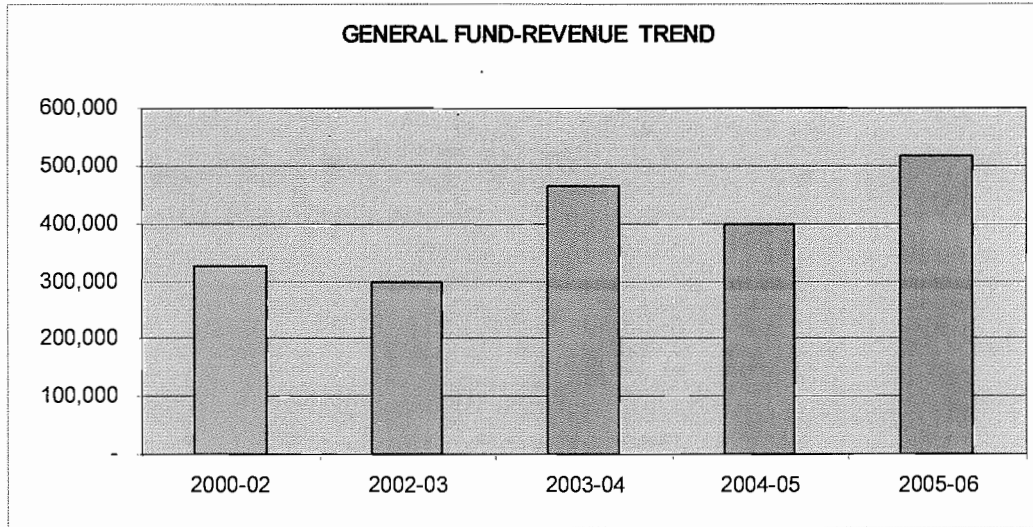
The principal operating fund of the Village is the General Fund. Revenues are derived primarily from gross receipts taxes, property tax, franchise tax, intergovernmental/grants, licenses and permits, sales and services and a variety of other sources. Total general fund revenues (cash basis) increased by \$118,162. The main reason for the increase is the receipt of a state grant for law enforcement overtime in the amount of \$93,750.

The total governmental revenues increased from prior year by \$1,234,247. The main reasons for the increase over the prior year were as follows: the 65% increase in the gross receipts tax revenue, small cities assistance increased 26%, revenue from joint powers agreements increased 97%, intergovernmental income increased 16%, and charges for services increased 71%, the main reason for this is the increase in ambulance fees. The expenses also increased over the prior year by \$818,978. The general government expenses increased \$41,128. A majority of this increase was due to an expected increase in salaries and audit fees. The public safety expenses increased due to an expected increase in salaries in EMS services and the police department. The culture and recreation expenses increased \$8,821. The reason for this was an expected increase in salaries.

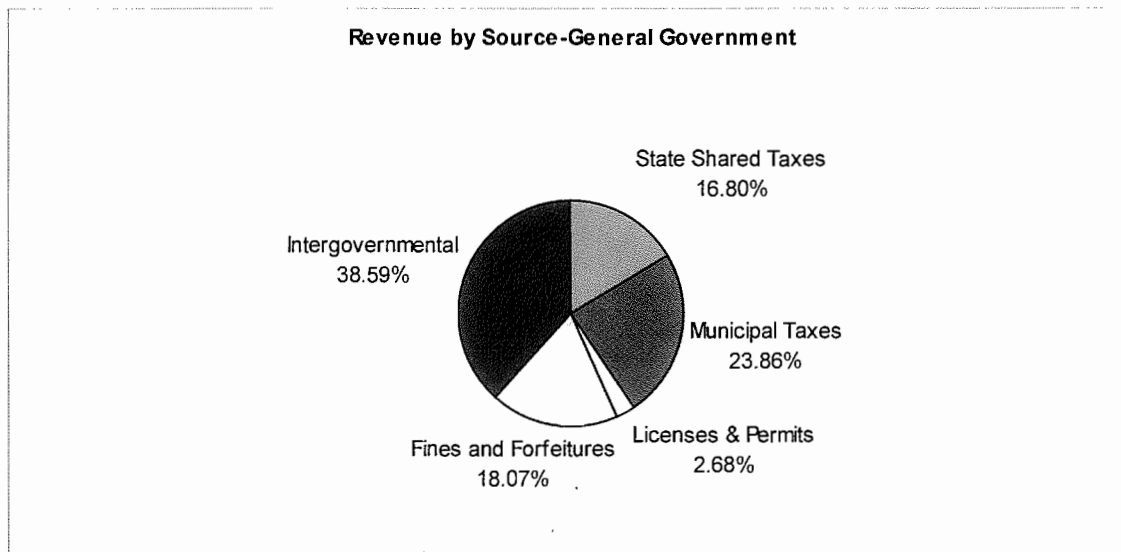
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**Management's Discussion and Analysis**

**Analysis of Changes in Net Assets (continued)**



General fund revenues, consisting of mostly taxes, are not directly associated with any government function. The above chart provides a comparison of prior years. The major revenues from governmental activities are summarized below. For fiscal year 2005-2006, Municipal and State Shared Taxes made up 40.66% of the total general fund revenues comparable to 46.28% over the prior year.



**Business-Type Activities**

Total revenues in the business-type activities decreased by 43.22% over the prior year. The most significant influence in this change was a decrease of 39.39% in grant revenue. There was a decrease in the ending cash balance due to the decreased revenues. A 72.29% decrease in operating expenses helped mitigate the reduction in cash. The following chart demonstrates the comparison of expenses and program revenues for business-type activities.

STATE OF NEW MEXICO  
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Management's Discussion and Analysis  
Summary of Net Assets

	Government Activities		Business-Type Activities		Totals		Total Percent Change 2006-2005
	2006	2005	2006	2005	2006	2005	
<b>ASSETS</b>							
Current and other assets	\$ 447,000	\$ 254,092	\$ 279,475	\$ 298,604	\$ 726,475	\$ 552,696	31.44%
Capital assets, net of accumulated depreciation	2,911,516	2,378,623	4,095,577	4,288,064	7,007,093	6,666,687	5.11%
Total assets	<u>\$ 3,358,516</u>	<u>\$ 2,632,715</u>	<u>\$ 4,375,052</u>	<u>\$ 4,586,668</u>	<u>\$ 7,733,568</u>	<u>\$ 7,219,383</u>	7.12%
<b>LIABILITIES</b>							
Current and other liabilities	\$ 85,780	\$ 38,478	\$ 3,755	\$ 18,610	\$ 89,535	\$ 57,088	56.84%
Long-term liabilities	43,008	70,861	2,152	2,705	45,160	73,566	-38.61%
Total liabilities	<u>128,788</u>	<u>109,339</u>	<u>5,907</u>	<u>21,315</u>	<u>134,695</u>	<u>130,654</u>	3.09%
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	2,863,307	2,321,482	4,095,577	4,288,064	6,958,884	6,609,546	5.29%
Restricted	591	112,200	8,331	70,009	8,922	182,209	
Unrestricted	365,830	89,694	265,237	207,280	631,067	296,974	112.50%
Total net assets	<u>3,229,728</u>	<u>2,523,376</u>	<u>4,369,145</u>	<u>4,565,353</u>	<u>7,598,873</u>	<u>7,088,729</u>	7.20%
Total liabilities and net assets	<u>\$ 3,358,516</u>	<u>\$ 2,632,715</u>	<u>\$ 4,375,052</u>	<u>\$ 4,586,668</u>	<u>\$ 7,733,568</u>	<u>\$ 7,219,383</u>	7.12%

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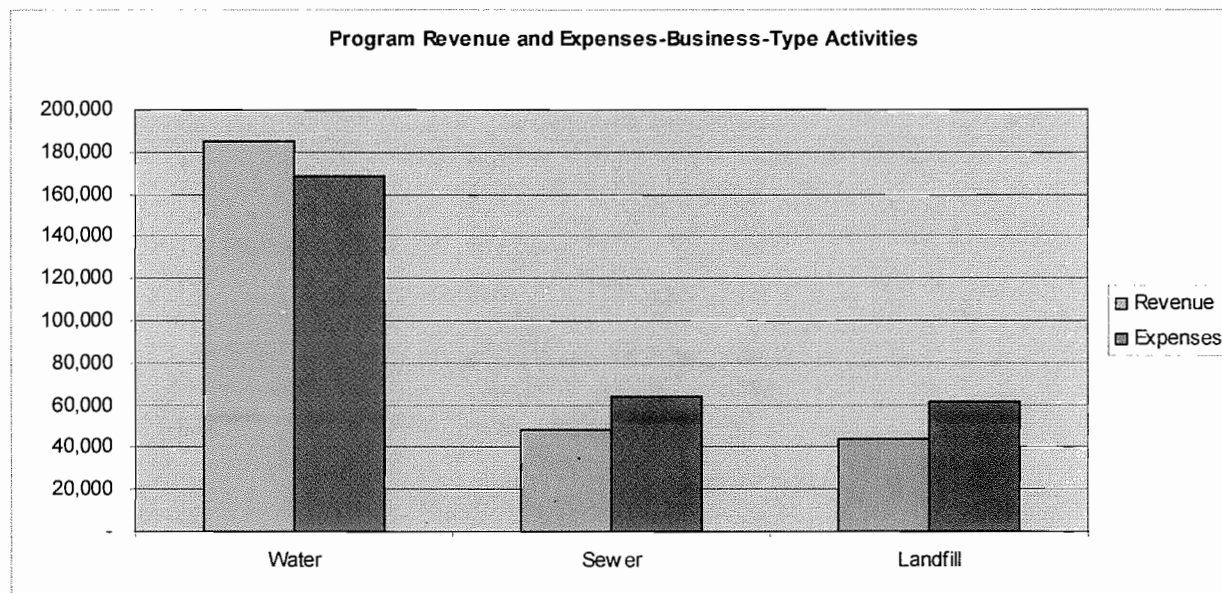
Management's Discussion and Analysis  
Changes in Net Assets

	Government Activities		Business-Type Activities		Totals		Total Percentage Change 2006-2005
	2006	2005	2006	2005	2006	2005	
<b>REVENUES</b>							
Program revenues:							
Charges for service	\$ 305,187	\$ 177,688	\$ 224,607	\$ 251,728	\$ 529,794	\$ 429,416	23.38%
Operating grants and contributions	236,560	100,755	-	-	236,560	100,755	134.79%
Capital grants and contributions	774,167	13,864	-	172,503	774,167	186,367	315.40%
General revenues:							
Taxes	260,503	192,570	10,951	9,088	271,454	201,658	34.61%
Other income	293,332	150,625	13,112	4,647	306,444	155,272	97.36%
Total revenues	<u>1,869,749</u>	<u>635,502</u>	<u>248,670</u>	<u>437,966</u>	<u>2,118,419</u>	<u>1,073,468</u>	<u>97.34%</u>
<b>EXPENSES</b>							
General government	231,549	314,138	-	-	231,549	314,138	-26.29%
Public safety	559,712	396,423	-	-	559,712	396,423	41.19%
Public works	52,886	38,252	-	-	52,886	38,252	38.26%
Culture and recreation	188,213	119,258	-	-	188,213	119,258	57.82%
Health and welfare	1,039	1,500	-	-	1,039	1,500	-30.73%
Debt service interest	158	719	-	-	158	719	-78.03%
Proprietary expenses	-	-	574,718	503,039	574,718	503,039	14.25%
Total expenses	<u>1,033,557</u>	<u>870,290</u>	<u>574,718</u>	<u>503,039</u>	<u>1,608,275</u>	<u>1,373,329</u>	<u>17.11%</u>
Change in net assets before transfers	836,192	(234,788)	(326,048)	(65,073)	510,144	(299,861)	-270.13%
Transfers	(129,840)	-	129,840	-	-	-	-
Change in net assets	<u>706,352</u>	<u>(234,788)</u>	<u>(196,208)</u>	<u>(65,073)</u>	<u>510,144</u>	<u>(299,861)</u>	<u>-270.13%</u>
Net assets - beginning	2,523,376	2,758,164	4,565,353	4,630,426	7,088,729	7,388,590	-4.06%
Net assets - ending	<u>\$ 3,229,728</u>	<u>\$ 2,523,376</u>	<u>\$ 4,369,145</u>	<u>\$ 4,565,353</u>	<u>\$ 7,598,873</u>	<u>\$ 7,088,729</u>	<u>7.20%</u>

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
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Management's Discussion and Analysis

Analysis of Changes in Net Assets (continued)



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, Village of Columbus uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**-The focus of Village of Columbus' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Village of Columbus' financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Village include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the current fiscal year, Village of Columbus' governmental funds reported combined ending fund balances of \$372,541, an increase of \$156,897 from the prior year. Revenues for governmental functions overall totaled \$1,869,749. There was an increase of \$1,234,247 from the prior year's revenues. The increase was primarily due to the increase in grant revenues. Expenditures for governmental functions totaled \$1,632,646. The expenditures increased \$825,444 from the prior year mainly due to an increase in salaries and capital outlay. The ending fund balances consist of an unreserved fund balance in the amount of \$113,889 which is available for spending at the government's discretion; and a reserved fund balance for capital projects of \$591, and a reserved fund balance for special revenue funds of \$258,061.

The General Fund is the chief operating fund of Village of Columbus. At the end of the current fiscal year, *unreserved* fund balance of the General Fund was \$113,889, and this is the total fund balance.

During the current fiscal year, the fund balance of Village of Columbus' General Fund had a net increase of \$71,290 prior to inter-fund transfers, due to increased taxes and grant revenue.

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**Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)**

The Fire Fund has a fund balance of \$62,541. During the current fiscal year, the fund balance had a net increase of \$63,993 prior to inter-fund transfers, due to federal grant revenue in the amount of \$61,775.

**Proprietary Funds**-The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

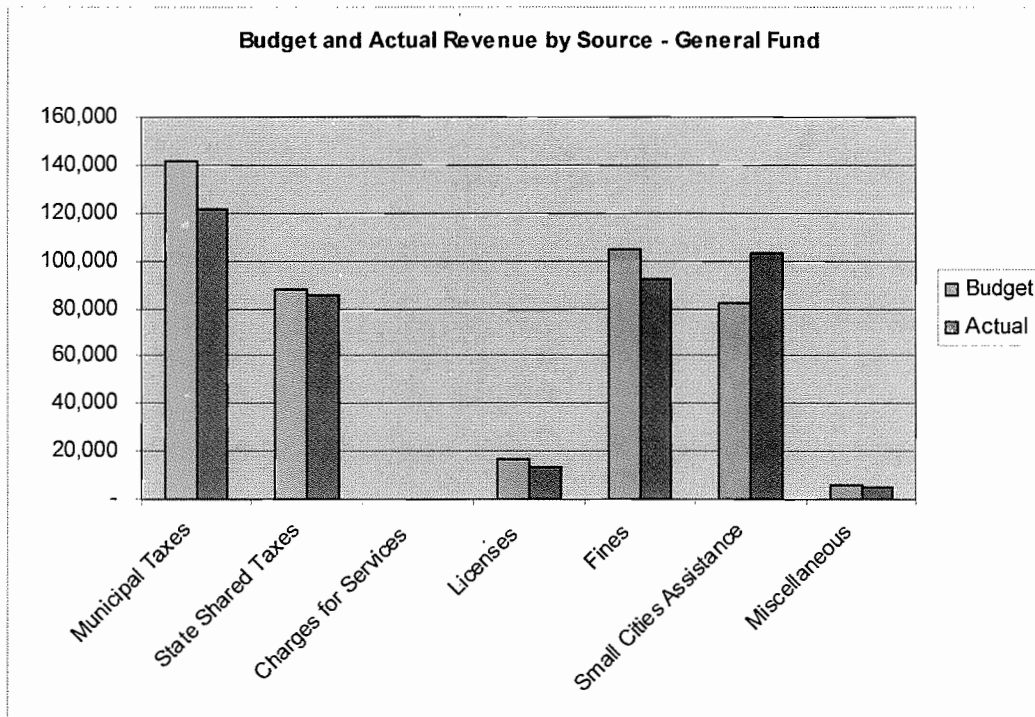
At the end of the fiscal year, the unrestricted net assets for Utilities were \$265,237. The total decrease in net assets for the Proprietary Funds was \$196,208. Factors concerning the finances of this fund have been addressed previously in the discussion of the Village's business-type activities.

**Fiduciary Funds**-The Village maintains fiduciary funds for the assets of various agency funds. Changes to the fiduciary funds were immaterial for the fiscal year.

**Economic Conditions.** Currently the Village is reliant on tax revenue. There are no significant changes expected in this area within the next fiscal year.

**Budgetary Highlights**-Village budgets reflect the same pattern as seen in the revenue and expenditures of the Village. The State of New Mexico budget process is defined under State law and regulation. To enhance the process of developing a budget at the Village level, the Village of Columbus utilizes goals and objectives defined by the Board of Trustees, community input meetings, long-term plans and input from various staff groups to develop the Village budget. Village priorities are well defined through this process.

**General Fund Budgetary Highlights**-The General Fund accounts for all of the general services provided by the Village of Columbus. At the end of 2006, the cash balance of the General Fund had decreased by \$53,810. The following chart demonstrates a summary of the major revenue sources received compared to the approved budget for the General Fund. The charges for services were too small to allow them to show on the chart.



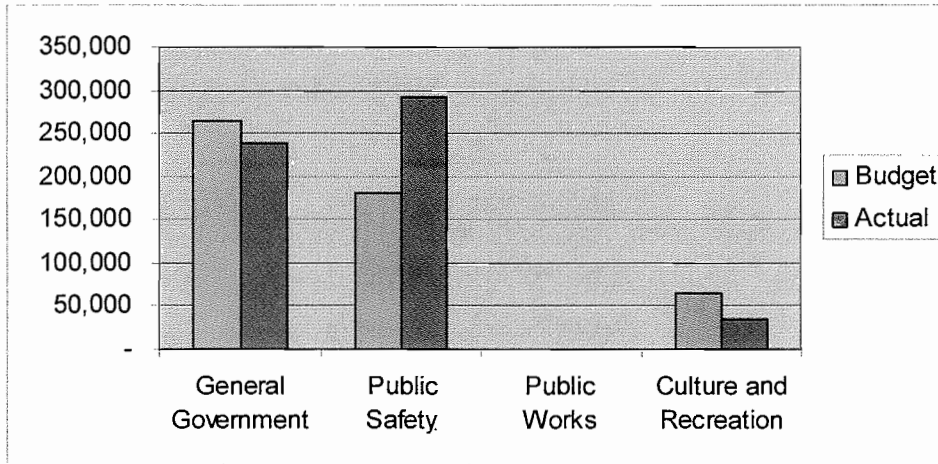


**STATE OF NEW MEXICO  
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**Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)**

General government expenditures include all administrative functions of the Village which include: Board of Trustees, Administration, Finance, Police, Maintenance, Judicial and Public Safety, and Recreation. The following chart shows a summary of functional categories for expenditures. There was minimal activity in public works which keeps the activity from showing on the chart.



Overall, actual expenditures were above the approved budget by \$55,162. This favorable comparison is a result of improved budgetary oversight by Department Supervisors.

**Capital Asset and Debt Administration**

**Capital Assets**

Village of Columbus' capital assets for its governmental and business-type activities as of June 30, 2006 amount to \$7,007,093 (net of accumulated depreciation). Capital assets include land improvements, buildings, machinery, equipment and infrastructure.

**Capital Assets, Net of Depreciation  
June 30, 2006**

	Government Activities	Business-Type Activities	Totals
Land and Construction in Process	\$ 1,223,306	\$ -	\$ 1,223,306
Buildings & Infrastructure	1,503,112	4,092,194	5,595,306
Machinery and Equipment	185,098	3,383	188,481
Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,911,516</u>	<u>\$ 4,095,577</u>	<u>\$ 7,007,093</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

The Statement of Net Assets shows the Investment in Capital Assets in the amount of \$6,958,884. This balance includes the capital assets, net of accumulated depreciation, reduced by the note balances associated with those capital assets. The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
June 30, 2006**

**Management's Discussion and Analysis**

	Government Activities:	Business-Type Activities:	Totals
Net Value of Capital Assets	\$ <u>2,911,516</u>	\$ <u>4,095,577</u>	\$ <u>7,007,093</u>
Long-Term Debt Principal Balance:			
NMFA	1,838	-	1,838
NMFA	5,700	-	5,700
NMFA	<u>40,671</u>	-	<u>40,671</u>
Total Debt Principal	<u>48,209</u>	<u>-</u>	<u>48,209</u>
Total Investment in Capital Assets Net of Related Debt	\$ <u>2,863,307</u>	\$ <u>4,095,577</u>	\$ <u>6,958,884</u>

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Village of Columbus' finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Columbus Administration; PO Box 350; Columbus, New Mexico, 88021.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Statement of Net Assets**  
**For the Year-Ended June 30, 2006**

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Cash and cash equivalents	\$ 334,556	\$ 206,471	\$ 541,027
Accounts receivable	-	63,123	63,123
Taxes receivable	12,239		12,239
Other receivables	54,470	-	54,470
Due from other governments	44,109	-	44,109
Restricted cash and investments	1,626	9,881	11,507
Land and construction in progress	1,223,306	-	1,223,306
Other capital assets, net of depreciation	1,688,210	4,095,577	5,783,787
Total assets	<u>\$ 3,358,516</u>	<u>\$ 4,375,052</u>	<u>\$ 7,733,568</u>
 <b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 12,652	\$ 37	\$ 12,689
Accrued salaries	4,964	1,092	6,056
Deferred revenue	56,843	-	56,843
Accrued interest	14	-	14
Customer deposits	-	1,550	1,550
Current portion of long-term liabilities	11,307	1,076	12,383
Total current liabilities	<u>85,780</u>	<u>3,755</u>	<u>89,535</u>
Long-term liabilities			
Due in more than one year	<u>43,008</u>	<u>2,152</u>	<u>45,160</u>
Total liabilities	<u>128,788</u>	<u>5,907</u>	<u>134,695</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,863,307	4,095,577	6,958,884
Restricted for:			
System improvements	-	8,331	8,331
Capital improvements	591	-	591
Unrestricted assets	365,830	265,237	631,067
Total net assets	<u>\$ 3,229,728</u>	<u>\$ 4,369,145</u>	<u>\$ 7,598,873</u>

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

STATE OF NEW MEXICO  
 VILLAGE OF COLUMBUS  
 Statement of Activities  
 For the Year Ended June 30, 2006

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT:</b>							
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 231,549	\$ 174,500	\$ -	\$ -	\$ (57,049)	\$ -	\$ (57,049)
Public safety	559,712	116,514	219,888	-	(223,310)	-	(223,310)
Public works	52,886	-	-	774,167	721,281	-	721,281
Culture and recreation	188,213	14,098	16,672	-	(157,443)	-	(157,443)
Health and welfare	1,039	75	-	-	(964)	-	(964)
Debt service interest	158	-	-	-	(158)	-	(158)
Total governmental activities	1,033,557	305,187	236,560	774,167	282,357	-	282,357
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Joint Utilities							
Water	453,777	132,141	-	-	-	(321,636)	(321,636)
Sewer	61,966	48,528	-	-	-	(13,438)	(13,438)
Landfill	58,975	43,938	-	-	-	(15,037)	(15,037)
Total business-type activities	574,718	224,607	-	-	-	(350,111)	(350,111)
<b>Total</b>	<b>\$ 1,608,275</b>	<b>\$ 529,794</b>	<b>\$ 236,560</b>	<b>\$ 774,167</b>	<b>282,357</b>	<b>(350,111)</b>	<b>(67,754)</b>
<b>GENERAL REVENUES:</b>							
<b>Taxes</b>							
Local taxes					143,536		143,536
State-shared taxes					116,967	10,951	127,918
State shared assistance							
Small cities assistance					103,113		103,113
Intergovernmental					189,815	5,000	194,815
Interest income					404	174	578
Miscellaneous						7,938	7,938
Transfers					(129,840)	129,840	-
Total revenues and transfers					423,995	153,903	577,898
Total change in net assets					706,352	(196,208)	510,144
Net assets - beginning					2,523,376	4,565,353	7,088,729
Net assets - ending					\$ 3,229,728	\$ 4,369,145	\$ 7,598,873

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

**GOVERNMENTAL FUND STATEMENTS**

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Balance Sheet**  
**Governmental Funds**  
**For the Year-Ended June 30, 2006**

	General Fund	Fire Fund	Total Non-Major Fund	Total Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,444	\$ 119,369	\$ 178,369	\$ 336,182
Taxes receivables	12,239	-	-	12,239
Other receivables	32,218	-	22,252	54,470
Due from other governments	35,892	-	8,217	44,109
Total assets	<u>\$ 118,793</u>	<u>\$ 119,369</u>	<u>\$ 208,838</u>	<u>\$ 447,000</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,682	\$ 567	\$ 10,403	\$ 12,652
Accrued salaries	3,222	255	1,487	4,964
Deferred revenue	-	56,006	837	56,843
Total liabilities	<u>4,904</u>	<u>56,828</u>	<u>12,727</u>	<u>74,459</u>
Fund balances:				
Reserved for capital projects funds	-	-	591	591
Reserved for special revenue funds	-	62,541	195,520	258,061
Unreserved	<u>113,889</u>	<u>-</u>	<u>-</u>	<u>113,889</u>
Total fund balances	<u>113,889</u>	<u>62,541</u>	<u>196,111</u>	<u>372,541</u>
Total liabilities and fund balances.	<u>\$ 118,793</u>	<u>\$ 119,369</u>	<u>\$ 208,838</u>	<u>\$ 447,000</u>

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Governmental Funds**  
**Reconciliation of the Balance Sheet to the Statement of Net Assets**  
**June 30, 2006**

**Total fund balances-governmental funds** \$ 372,541

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$4,001,655, and the accumulated depreciation is \$1,090,139 2,911,516

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the funds. (14)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Notes payable	\$ 48,209	
Compensated absences	<u>6,106</u>	(54,315)

**Total net assets-governmental activities** \$ 3,229,728



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Government Funds**  
**For the Year-Ended June 30, 2006**

	General Fund	Fire Fund	Total Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes and shared taxes:				
Motor vehicle registration	\$ 4,773	\$ -	\$ -	\$ 4,773
Cigarette tax	380	-	190	570
Gross receipts tax municipal 1%	86,778	-	-	86,778
Gross receipts tax municipal 1.225%	79,103	-	-	79,103
Gross receipts tax environmental	-	-	4,136	4,136
Gross receipts tax infrastructure	-	-	8,270	8,270
Property taxes	45,353	-	-	45,353
Franchise tax	6,082	-	-	6,082
Gasoline tax municipal-1 cent	-	-	8,048	8,048
Gasoline tax regular-2 cents	-	-	8,551	8,551
Lodger's tax	-	-	3,516	3,516
Small cities assistance	103,113	-	-	103,113
Charges for services	-	-	124,520	124,520
Joint powers agreements	-	25,000	90,000	115,000
State allocation	-	49,638	30,500	80,138
Federal grants	-	61,775	34,646	96,421
State grants	129,642	-	784,664	914,306
Licenses and permits	13,688	-	-	13,688
Fines and forfeitures	124,397	-	-	124,397
Investment Income	104	-	300	404
Miscellaneous	36,415	5,951	216	42,582
Total revenues	<u>629,828</u>	<u>142,364</u>	<u>1,097,557</u>	<u>1,869,749</u>
<b>EXPENDITURES</b>				
Current:				
General government	230,975	-	-	231,194
Public safety	288,557	74,042	135,842	498,441
Public works	35	-	46,258	46,293
Culture and recreation	34,194	-	94,606	128,800
Health and welfare	-	-	1,039	1,039
Debt service:				
Principal	4,603	4,329	-	8,932
Interest	174	-	-	174
Capital outlay	-	-	717,992	717,992
Total expenditures	<u>558,538</u>	<u>78,371</u>	<u>995,737</u>	<u>1,632,646</u>
Excess (deficiency) of revenues over expenditures	71,290	63,993	101,820	237,103
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	116,449	-	191,175	307,624
Transfers out	(177,293)	-	(210,537)	(387,830)
Total other financing sources (uses)	<u>(60,844)</u>	<u>-</u>	<u>(19,362)</u>	<u>(80,206)</u>
Net change in fund balances	10,446	63,993	82,458	156,897
Fund balance - beginning	<u>103,443</u>	<u>(1,452)</u>	<u>113,653</u>	<u>215,644</u>
Fund balance - ending	<u>\$ 113,889</u>	<u>\$ 62,541</u>	<u>\$ 196,111</u>	<u>\$ 372,541</u>

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

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year-Ending June 30, 2006**

**Net change in fund balances-governmental funds** \$ 156,897

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The following schedule show the activity in the capital assets:

Capital assets reported as capital outlay expenditures	\$ 717,992	
Capital assets were transferred to joint utilities	(49,634)	
Depreciation expense	<u>(135,465)</u>	532,893

Repayments on bond principals are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	8,932
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In the Statement of Activities accrued interest for long-term liabilities is considered as expense	16
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In the Statement of Activities, certain operating expenses-compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). This year, vacation leave used (\$14,541) exceeded the amounts earned (\$6,927) by \$7,614.	7,614
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<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>706,352</u></b>
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**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**GENERAL FUND**  
**Statement of Revenues Compared to Budget**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes and shared taxes:				
Franchise taxes	\$ 3,000	3,000	1,710	(1,290)
Gross receipts taxes-municipal 1%	85,000	85,000	83,991	(1,009)
Property taxes	40,700	40,700	37,486	(3,214)
Cigarette tax	300	300	380	80
Gross receipts taxes-municipal 1.225%	86,000	86,000	79,103	(6,897)
Motor vehicle registration	5,300	5,300	4,773	(527)
Licenses and permits	16,450	16,450	13,688	(2,762)
Charges for services	250	250	367	(117)
Fines and forfeitures	105,000	105,000	92,179	(12,821)
Small cities assistance	81,965	81,965	103,113	21,148
State grants			93,750	93,750
Investment income			104	104
Miscellaneous	5,900	5,900	4,953	(947)
Total revenues	429,865	429,865	515,597	85,498
Add: beginning cash	93,029	93,029		
	\$ 522,894	\$ 522,894		
Expenditures				
Current:				
General government	264,804	264,804	237,824	26,980
Public safety	181,150	181,150	291,918	(110,768)
Public works	500	500	35	465
Culture and recreation	66,023	66,023	35,012	31,011
Debt service				
Principal	-	-	2,850	(2,850)
Total expenditures	512,477	512,477	567,639	(55,162)
Excess (deficiency) revenues over expenditures			(52,042)	
Other financing sources (uses)				
Transfers in	36,952	36,952	12,406	(24,546)
Transfers out	(36,952)	(36,952)	(95,867)	(58,915)
Total transfers	-	-	(83,461)	(83,461)
Net change in fund balance			(135,503)	
Difference Between GAAP and Non-GAAP				
Adjust accrued revenue		114,231		
Adjust accrued expenses		9,101		
Adjust transfers		22,617	145,949	
Fund balance-beginning			103,443	
Fund balance-ending			\$ 113,889	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND - FIRE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Joint powers agreements	\$ 18,500	\$ 18,500	\$ 25,000	\$ 6,500
State fire allotment	48,132	48,132	100,321	52,189
Federal grant	-	-	61,775	61,775
Miscellaneous	1,000	1,000	5,951	4,951
Total revenues	67,632	67,632	193,047	125,415
Add: beginning cash	-	-		
	\$ 67,632	\$ 67,632		
Expenditures				
Current				
Personnel	28,065	28,065	27,145	920
Insurance	16,389	16,389	24,709	(8,320)
Other operating costs	29,487	29,487	19,911	9,576
Capital outlay	2,256	2,256	2,688	(432)
Total expenditures	76,197	76,197	74,453	1,744
Excess (deficiency) revenues over expenditures			118,594	
Other financing sources (uses)				
Transfers in	8,565	8,565	-	(8,565)
Transfers out	-	-	-	-
Total other financing sources (uses)	8,565	8,565	-	(8,565)
Net change in fund balance			118,594	
Differences Between GAAP and Non-GAAP				
Adjust accrued revenue		(50,683)		
Adjust accrued expenses		(3,918)	(54,601)	
Fund balance – beginning			(1,452)	
Fund balance – ending			\$ 62,541	

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

**PROPRIETARY FUND**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Proprietary Fund-Joint Utilities  
Statement of Net Assets  
June 30, 2006**

**ASSETS**

Current assets		
Cash and cash equivalents	\$	206,471
Accounts receivable		63,123
Total current assets		<u>269,594</u>
Restricted cash:		
Customer deposits		1,550
Wastewater repair and replacement		8,331
Total restricted assets		<u>9,881</u>
Capital assets		7,326,518
Accumulated depreciation		<u>(3,230,941)</u>
Total non-current assets		<u>4,095,577</u>
Total assets	\$	<u>4,375,052</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$	37
Accrued salaries		1,092
Customer security deposits		1,550
Current portion of accrued compensated absences		1,076
Total current liabilities		<u>3,755</u>
Long-term liabilities:		
Accrued compensated absences		<u>2,152</u>
Total liabilities		<u>5,907</u>
Net Assets:		
Investment in capital assets		4,095,577
Restricted for:		
System improvements		8,331
Unrestricted assets (deficit)		<u>265,237</u>
Total net assets		<u>4,369,145</u>
Total liabilities and net assets	\$	<u>4,375,052</u>

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund-Joint Utilities**  
**For the Year-Ended June 30, 2006**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 232,545
Gross receipts tax municipal	10,951
Joint powers agreements	<u>5,000</u>
Total operating revenues	<u>248,496</u>
<b>OPERATING EXPENSES</b>	
Current:	
Personnel services	145,776
Other operating expenses	136,821
Depreciation and amortization	<u>292,121</u>
Total operating expenses	<u>574,718</u>
Operating income (loss)	<u>(326,222)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	<u>174</u>
Total non-operating revenues (expenses)	<u>174</u>
Income (loss) before transfers	(326,048)
Operating transfers in (out)	129,840
Change in net assets	(196,208)
Total net assets – beginning	<u>4,565,353</u>
Total net assets – ending	<u>\$ 4,369,145</u>

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

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Statement of Cash Flows  
Proprietary Fund-Joint Utilities  
For the Year-Ended June 30, 2006**

Cash flows from operating activities:	
Cash received from agencies and customers	\$ 212,256
Cash used for salaries and operating expenses	<u>(298,005)</u>
Net cash provided by operating activities	<u>(85,749)</u>
Cash flows from financing activities:	
Acquisition of fixed assets – net	<u>30,206</u>
Net cash used for financing activities	<u>30,206</u>
Cash flows from investing activities:	
Interest income	<u>174</u>
Net decrease in cash and cash equivalents	(55,369)
Cash and cash equivalents – beginning	<u>271,721</u>
Cash and cash equivalents – ending	<u>\$ 216,352</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating (loss)	\$ (326,222)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	292,121
Changes in assets and liabilities:	
Accounts receivable	(36,240)
Accounts payable	<u>(15,408)</u>
Net cash provided by operating activities	<u>\$ (85,749)</u>

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



**FIDUCIARY FUNDS**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
June 30, 2006

**FIDUCIARY FUNDS LISTING**

**TRUST FUNDS:**

Cemetery Trust

To account for the collection and disbursement of funds

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Statement of Fiduciary Net Assets**  
**June 30, 2006**

	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ <u>2,714</u>	<u>9,431</u>
Total assets	\$ <u>2,714</u>	<u>9,431</u>
<b>Liabilities</b>		
Accounts payable	\$ <u>-</u>	\$ <u>9,431</u>
<b>Net assets</b>		
Held in trust for private purpose	\$ <u>2,714</u>	\$ <u>-</u>

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Private Purpose Trust Fund-Cemetery**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year-Ended June 30, 2006**

	Private Purpose Trust Fund
Additions	
Contributions	\$ 300
Total additions	<u>300</u>
Deductions	
Administrative expenses	<u>-</u>
Total deductions	-
Change in net assets	300
Net assets – beginning of year	<u>2,414</u>
Net assets – end of year	<u>\$ 2,714</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Notes to Financial Statements  
June 30, 2006**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Village's accounting policies are described below.

*A. Financial reporting entity*

The Village was established by the laws of the State of New Mexico in 1913, under the provisions of the act now referred to as Sections 4-9-1 and 4-9-2 of the New Mexico Statutes Annotated, 1978 Compilation. The Village operates under the Board of Trustees form of government and provides the following services as authorized in the grant of powers: public safety (police, fire, and emergency medical), public works (highways and streets), water, sewer and sanitation, health and welfare services, culture and recreation, public improvements, planning and zoning, and general administration services.

The Village provides traditional services such as public safety, culture and recreation, public works, and water and sewer services.

The Village (the primary government) for financial reporting purposes consists of funds, departments, and programs for which the Village is financially accountable.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units, and is not a component unit of another governmental agency.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Notes to Financial Statements  
June 30, 2006**

**NOTE 1 SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES (continued)**

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. No fiduciary funds are included.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange, include gross receipts and property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized in the fiscal year in which eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (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.

Property taxes, gross receipts taxes, motor vehicle taxes, cigarette taxes, gasoline taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the government.

Expenditures are recorded when the related fund liability is incurred, except for vacation pay which is recognized as an expenditures only when payment is made. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Government funds are used to account for the Village's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental funds include:

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

The *Fiduciary Funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The Village's fiduciary funds are used to account for the collection and payment of special fees to other governmental agencies.

Under the requirements of GASB No. 34, the City is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which includes funds that were not required to be presented as major but were at the discretion of management:

The *Fire Fund* is used to account for the revenues allocated by the state to the Village and the expenditure for maintaining and operating a volunteer fire department authorized by NMSA Section 59A-53-1.

*Proprietary Fund Types:*

These funds are used to account for services to the general public where all or most of the costs including depreciation are to be financed or recovered from users of such services. The Village maintains separate funds for gas, water, sewer and solid waste utility operations. These are reported as the Joint Utility Fund and are considered a major fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). All governmental and business-type activities of the Village follow Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program* revenues include 1) charges to customers or applicants for goods, services, or privileges, provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Notes to Financial Statements**  
**June 30, 2006**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues, such as charges for services, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include operating subsidies, investment earnings, interest expense, and transactions that result from non-exchange transactions.

The modified accrual basis of accounting is followed by the governmental fund types for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. The Village considers revenue available if amounts are collected within (60) days after year-end.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, investment income and charges for services. Grant revenues are recognized as revenues when the related costs are incurred. 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. Expenditures are recorded as liabilities when they are incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Village reports unearned revenue on its combined balance sheet. Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods 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. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources as needed.

*D. Assets, liabilities and net assets or equity*

**Deposits and Investments:** The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and fully collateralized repurchase agreements.

Investments for the Village are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

**Receivables and Payables:** Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as inter-fund balance. Long term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable from available resources.

**STATE OF NEW MEXICO  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*D. Assets, liabilities and net assets or equity (continued)*

**Capital Assets:** Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets including computer software are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is adjusted for all deletions.

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. No computer software is developed in-house.

Major outlays for capital assets are capitalized. Major outlays for improvements are capitalized as work in process until they are completed at which time the asset becomes subject to depreciation. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	10-80
Buildings	15-40
Other improvements	15-40
Machinery and equipment (Including Computer Software)	5-10

**Compensated Absences:** Village employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation cost become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements.

**Deferred Revenue:** The Village defers revenue from non-exchange transactions. The amount deferred results from the difference between the receivable recognized on an accrual basis and the related revenue recognized on the modified accrual basis. Revenue is recognized as the receivables are collected.

**Long-Term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. The face amount of debt issued is reported as other financing sources.

**Net assets:** The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as follows:

*Invested in Capital Assets, Net of Related Debt:* In the fund financial statements, investment in capital assets are reported net of depreciation and related debt.

*Restricted Net Assets:* In the Statement of Net Assets, net assets are reported as restricted when constraints are placed on net assets are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by enabling legislation.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Notes to Financial Statements  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Unrestricted net assets:* This category reflects net assets of the Village, not restricted for any project or other purpose.

**Fund equity reservation and designations:** In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted. Designations represent tentative managerial plans that are subject to change. The Village records reserves to indicate that a portion of fund balance is legally restricted for a specific future use or is not available for appropriation and/or expenditure.

**Estimates:** The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 year. Actual results could differ from those estimates.

**Inter-Fund Transactions:** Transactions that would be recorded as revenues, expenditures, or expenses if they involved organizations external to the Village are similarly treated when involving other funds of the Village. These transactions include charges for administrative services, risk management services, vehicle maintenance, inventory and office services, and payments in lieu of taxes. Other authorized transfers between funds are recorded as operating transfers and are included in the determination of the results of operations in the governmental, proprietary, and fiduciary funds.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budgetary Information*

Annual budgets for the Village are prepared prior to June 1 and must be approved by the Board of Trustees and the New Mexico Department of Finance and Administration. Once the budget has been formally approved, the Village Board of Trustees and the Department of Finance and Administration must also approve any amendments. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

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

**STATE OF NEW MEXICO  
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**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

*Budgetary Information (continued)*

No budget was adopted for the CYFD, Promotora, Road Systems '01, Road Systems '02, Flood Disaster, Landfill Grant, Fire Grant, NM DOT SP-GA-7625, NM DOT SP-GA-7529, NMED SAP 04-1562, NMED SAP 05-1118, NMED SAP 04-0605, NMED SAP 05-0124, and NMED SAP 05-0088 because no revenues or expenditures were anticipated.

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

Since accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principals, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year-ended June 30, 2006 is presented.

**NOTE 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The following is reconciliation between the Non-GAAP cash basis amounts and the financial statements on the GAAP basis by fund type:

	General Fund	Fire Fund	Special Revenue Funds	Proprietary Fund
Net change in fund balance (GAAP Basis)	\$ 10,446	\$ 63,993	\$ 77,473	\$ (196,208)
Adjustments:				
To revenues for tax accruals, earnings on investments and other deferrals and accruals.	(136,848)	50,683	(40,269)	134,968
Adjustments:				
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>(9,101)</u>	<u>3,918</u>	<u>20,377</u>	<u>280,577</u>
Net change in fund balance (Cash Basis)	\$ <u>(135,503)</u>	\$ <u>118,594</u>	\$ <u>57,581</u>	\$ <u>219,337</u>

**NOTE 4 CUSTODIAL CREDIT RISK - DEPOSITS**

All deposits are carried at cost plus accrued interest. The Village does not have a deposit policy. The Village had the following depository accounts:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 119,993
Collateralized:	
Collateral held by pledging bank's trust department not in the village's name	492,981
Uninsured and uncollateralized	<u>-</u>
Total Cash and Investments, Primary Government	\$ <u>612,974</u>

**STATE OF NEW MEXICO  
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**NOTE 4 CUSTODIAL CREDIT RISK – DEPOSITS (continued)**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village does not have a deposit policy for custodial risk. As of June 30, 2006, the Village was over-collateralized by \$463,510; therefore, no deposits were uninsured and uncollateralized. The Village's bank balance of \$612,974 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Uninsured and collateral held by pledging bank's trust department not in Village's name		492,981
Total Cash and Investments, Primary Government	\$	<u>492,981</u>

**NOTE 5 RECEIVABLES**

Receivables as of June 30, 2006, are as follows:

	<u>Governmental Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts receivable	\$ -	\$ 63,123	\$ 63,123
Other receivables-citations	32,218	-	32,218
Other receivables-EMS charges	22,252	-	22,252
Taxes receivable	12,239	-	12,239
Due from other governments	44,109	-	44,109
Net Receivables	<u>\$ 110,818</u>	<u>\$ 63,123</u>	<u>\$ 173,941</u>

The Village's policy has not provided for uncollectible accounts as required by generally accepted accounting principles. All receivables are expected to be collected within one year.

**STATE OF NEW MEXICO  
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**NOTE 6 CAPITAL ASSETS**

The following is a summary of capital assets and changes occurring during the year-ended June 30, 2006. Land is not subject to depreciation.

**Governmental Activities:**

	Balance June 30, 2005	Additions	Deletions	Transfers	Balance June 30, 2006
Capital assets not being depreciated					
Land	\$ 505,314	\$ -	\$ -	\$ -	\$ 505,314
Work in progress	176,175	717,992	-	(176,175)	717,992
Total	681,489	717,992	-	(176,175)	1,223,306
Other capital assets being depreciated					
Buildings	1,848,261	-	-	-	1,848,261
Other improvements	257,288	-	-	126,541	383,829
Machinery and equipment	546,259	-	-	-	546,259
Total	2,651,808	-	-	126,541	2,778,349
Total capital assets	3,333,297	717,992	-	(49,634)	4,001,655
Accumulated depreciation:					
Buildings	633,895	60,345	-	-	694,240
Other improvements	14,787	19,951	-	-	34,738
Machinery and equipment	305,992	55,169	-	-	361,161
Total	954,674	135,465	-	-	1,090,139
Net value	\$ 2,378,623	\$ 582,527	\$ -	\$ (49,634)	\$ 2,911,516

Depreciation expense for the year-ended June 30, 2006 was charged as follows:

General governmental	\$ 3,042
Public safety	66,007
Public works	6,593
Culture and recreation	59,413
Health and welfare	410
Total depreciation expense	\$ 135,465

**STATE OF NEW MEXICO  
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**NOTE 6 CAPITAL ASSETS (continued)**

**Business-Like Activities:**

	Balance June 30, 2005	Additions	Deletions	Transfers	Balance June 30, 2006
Capital assets not being depreciated					
Work in process	\$ 172,503	\$ -	\$ -	\$ (172,503)	\$ -
Total	<u>172,503</u>	<u>-</u>	<u>-</u>	<u>(172,503)</u>	<u>-</u>
Capital assets being depreciated					
depreciated:					
Utility system	6,967,136	50,000	-	222,137	7,239,273
Machinery and equipment	87,245	-	-	-	87,245
Total	<u>7,054,381</u>	<u>50,000</u>	<u>-</u>	<u>222,137</u>	<u>7,326,518</u>
Total capital assets	<u>7,226,884</u>	<u>50,000</u>	<u>-</u>	<u>49,634</u>	<u>7,331,238</u>
Accumulated depreciation:					
Utility system	2,855,804	291,275	-		3,147,079
Machinery and equipment	83,016	846	-		83,862
Total	<u>2,938,820</u>	<u>292,121</u>	<u>-</u>		<u>3,230,941</u>
Net value	\$ <u>4,288,064</u>	\$ <u>(242,121)</u>	\$ <u>-</u>	\$ <u>49,634</u>	\$ <u>4,095,577</u>

Depreciation expense relating to business-like activities for the year-ended June 30, 2006 totaled \$292,121.

**NOTE 7 LONG-TERM DEBTS**

During the year-ended June 30, 2006, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

<b>General Fund:</b>	Balance June 30, 2005	Additions	Decreases	Balance June 30, 2006	Due Within One Year
New Mexico Finance Authority	\$ 8,550	\$ -	\$ 2,850	\$ 5,700	\$ 2,850
New Mexico Finance Authority	3,591	-	1,753	1,838	1,838
New Mexico Finance Authority	45,000	-	4,329	40,671	4,584
Compensated absences	<u>13,720</u>	<u>6,927</u>	<u>14,541</u>	<u>6,106</u>	<u>2,035</u>
Total long-term debt	\$ <u>70,861</u>	\$ <u>6,927</u>	\$ <u>23,473</u>	\$ <u>54,315</u>	\$ <u>11,307</u>

Compensated absences typically have been liquidated in the general and other governmental funds.

The terms of the revenue bond and notes payable for the General Fund are as follows:

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**NOTE 7 LONG-TERM DEBTS (continued)**

\$14,250 loan from the State of New Mexico Finance Authority, during the 2002 fiscal year; the purpose of the loan was to fund infrastructure improvements. The note bears no interest and is payable at \$2,850 a year beginning July 30, 2004 through July 30, 2008.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2007	\$ 2,850
2008	<u>2,850</u>
	<u>\$ 5,700</u>

Revenue bonds payable at June 30, 2006 are comprised of the following individual issues:

\$12,613 bond due in annual installments of \$1,927 through May 1, 2007, interest at 4.85%.

The annual requirements to amortize the Revenue Bond are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ <u>1,928</u>	\$ <u>1,838</u>	\$ <u>90</u>

\$45,000 loan from the State of New Mexico Finance Authority, during the 2004 fiscal year; the purpose of the loan was to purchase a fire pumper. The note bears no interest and payments begin June 1, 2006 through June 1, 2015. The payment amounts are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2007	\$ 4,584
2008	4,584
2009	4,584
2010	4,584
2011	4,584
2012	4,584
2013	4,584
2014	4,584
2015	<u>3,999</u>
	<u>\$ 40,671</u>



**STATE OF NEW MEXICO  
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**NOTE 7 LONG-TERM DEBTS (continued)**

<b>Business-Type Fund:</b>	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 2,705	\$ 5,155	\$ 4,632	\$ 3,228	\$ 1,076

Compensated absences typically have been liquidated in the proprietary fund.

**NOTE 8 DEFERRED REVENUE**

During the year-ended June 30, 2006, the Village's deferred revenue was as follows:

<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Fire Fund	Prepaid State Allotment	\$ 56,006
Lodgers' Tax	Prepaid State Grant	837
	Total	<u>\$ 56,843</u>

**NOTE 9 RISK MANAGEMENT**

The Village of Columbus is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

The Village has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insured Fund, a public entity risk pool currently operating as a common risk management and insurance program for local government. The Village pays an annual premium to New Mexico Self-Insured Fund for general insurance coverage and all risk of loss is transferred. The Village paid \$74,591 and \$61,023 for the years ending June 30, 2006 and 2005, respectively.

**NOTE 10 PERA PENSION PLAN**

The Village has elected not to participate in a retirement plan.

**NOTE 11 DEFICIT FUND BALANCE AND EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following funds had a deficit fund balance as of June 30, 2006:

Library Fund	245
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**NOTE 12 POST-EMPLOYMENT BENEFITS**

The Retiree Health Care Act, Chapter IV, Article 7C NMSA 1978 provides a comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Village has elected not to participate in the post-employment health insurance plan.

**NOTE 13 CONTINGENT LIABILITIES**

The Village has no potential contingent liabilities at this time.

**STATE OF NEW MEXICO  
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**NOTE 14 FEDERAL AND STATE GRANTS**

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

**NOTE 15 INTER-FUND TRANSFERS AND BALANCES**

Transfers to/from other funds at June 30, 2006, consist of the following:

From	To	Amount	Purpose
General	Library	\$ 34,451	To fund operations
General	Gasoline Tax	24,925	To fund maintenance
General	Lodgers' Tax	40	To fund advertising
General	Cemetery	1,443	To fund operations
General	Joint Utilities	12,569	To fund operations
General	Sewer	15,898	To fund operations
General	COPS	11,401	To advance funds for salaries
General	Promotora	18,071	To fund advertising
General	CYFD	4,202	To fund operations
General	Fire Grant	47,266	To fund capital outlay
General	Recreation	7,027	To fund operations
Environmental GRT	General	4,136	To reimburse for advance of funds
Infrastructure GRT	General	8,270	To reimburse for advance of funds
CDBG Water Treatment	General	12,968	To reimburse for advance of funds
Community Center	General	12,840	To reimburse for advance of funds
Law Enforcement	General	3,231	To reimburse for advance of funds
Flood Disaster	General	23,309	To reimburse for advance of funds
Landfill Grant	General	7,772	To reimburse for advance of funds
Road Fund #02	General	33,572	Reimburse for advance of funds
CDBG Planning	General	10,351	Reimburse for advance of funds
Road Fund #01	Road Fund #02	40,511	To reimburse for advance of funds
Law Enforcement	Fire Grant	1,838	To fund capital outlay
Flood Disaster	Water	1,739	To reimburse for advance funds
SAP 041562	Water	50,000	To transfer infrastructure improvement
Governmental funds	Water	49,634	To transfer completed projects
		<u>\$ 437,464</u>	Total

	Transfers In	Transfers Out
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	\$ 307,624	437,464
Statement of Revenues, Expenses, and Changes in Net Assets- Proprietary Funds	<u>129,840</u>	<u>-</u>
Total transfers	<u>\$ 437,464</u>	<u>\$ 437,464</u>

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Notes to Financial Statements  
June 30, 2006**

**NOTE 16 EXCESS EXPENDITURES OVER APPROPRIATIONS**

New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. The Village exceeded its authorized budget by \$88,853 as follows:

Fund	Reason	Budgeted Expenses	Actual Expense	Difference
General	Operating expenses	\$ 512,477	\$ 567,639	\$ 55,162
EMS	Contractual services and operations	78,079	107,842	29,763
Lodger's Tax	Operating expenses	3,500	3,556	56
Gasoline Tax	Operating expenses	<u>37,653</u>	<u>41,525</u>	<u>3,872</u>
Totals		<u>\$ 631,709</u>	<u>\$ 720,562</u>	<u>\$ 88,853</u>

The Village has implemented procedures to ensure compliance in the future.

**NOTE 17 SUBSEQUENT EVENTS**

The Village has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies constitute future commitments.

**NON-MAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Funds  
June 30, 2006**

**SPECIAL REVENUE FUNDS LISTING**

**Recreation Fund** – To account for operations of summer recreation programs. Financing is provided by cigarette tax, a joint powers agreement from Luna County, and service charges (NMSA 7-12-6.11).

**Library Fund** – To account for the State grant, a joint powers agreement from Luna County, and private donations, and service charges to be utilized for the acquisition of library materials and operations. (NMSA 18-15-4 and Village Council Ordinance).

**EMS Fund** – To account for the general operations of the ambulance service (NMSA 24-10A-3).

**Correction Fund** – To account for judicial fees and administration costs (NMSA 35-14-11).

**Lodgers' Tax Fund** – To account for expenditures for the promotion of the Columbus area. Financing is provided by a tax charged on motel rooms in the Village of Columbus (NMSA 3-38-13 to 3-38-24).

**CYFD** – To account for a federal grant from the Juvenile Justice Advisory Committee (JJAC), passed through the Children, Youth and Families Department (CYFD) for the purpose of hiring a full-time police department officer to work in a community policing project for juveniles. This was authorized by resolution. This grant is known as the 1998 JJDP Formula Grant. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**Cemetery Fund** – To account for the operations of the Village cemetery. Financing is provided by lot sales, burial permits and the Garden Club (NMSA 3-40-1 to 3-40-9).

**Law Enforcement Protection Fund** – State Statutes Section 29-13 provides for the distribution of funds from the State Law Enforcement Protection Fund to municipal and village police and sheriff department for the maintenance and improvement of those departments in order to enhance the efficiency and effectiveness of law enforcement services provided. The fund is used to account for specific law enforcement expenditures not included in the general fund. Financing is provided by a state allocation and can only be used for law enforcement equipment and personnel training (NMSA 29-13-3).

**Gasoline Tax** – To account for the street and highway improvements of the Village not funded by special sources. Financing is provided by State Gasoline Tax (NMSA 7-1-6.26).

**Environmental Gross Receipts Tax Fund** – To account for the operation and maintenance of funds restricted for the operation and closure of landfills. Funding is provided by a ¼ of 1% tax on the gross receipts of the Village (NMSA 7-20E-26).

**Infrastructure Gross Receipts Tax Fund** – To account for the operation and maintenance of funds restricted for the repair and replacement of infrastructure improvements. Funding is provided by a ½ of 1% tax on the gross receipts of the Village. The funds may be used only for sewer and street repairs and replacements, or for the acquisition of rights-of-way (NMSA 17-19D-11).

**Promotora Fund** – To account for a grant received under the Border Area Community Health Advisor Services Grant Program. This Grant is to be used to develop and implement a community health advisor program in the Luna County area. Authority by resolution. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**Community Center Fund** – To account for revenues and expenditures relating to the community center. Authority is by resolution.

**Cops in School** – To account for a Federal Grant received to help law enforcement agency to enhance school safety. Authority is by resolution.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Funds  
June 30, 2006

**CAPITAL PROJECTS FUNDS LISTING**

**Road Systems ' 01**– To account for a Cooperative Agreement with the New Mexico State Highway and Transportation Department pursuant to NMSA, 1978 Section 67-3-28, as amended, and Section 67-3-28.2 NMSA as amended, and Commission Policy No. 44-92. The purpose of the Agreement is for Broadway Avenue Continuance with control of Public Entity Project No. SP-1-00 (901), Control No. 83506. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**Road Systems ' 02**– To account for a Cooperative Agreement with the New Mexico State Highway and Transportation Department pursuant to NMSA, 1978 Section 67-3-28, as amended, and Section 67-3-28.2 NMSA as amended, and Commission Policy No. 44-92. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NM DOT SP-GA-7625** – To account for a Cooperative Agreement with the New Mexico State Highway and Transportation Department pursuant to NMSA, 1978 Section 67-3-28, as amended, and Section 67-3-28.2 NMSA as amended, and Commission Policy No. 44-92. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NM DOT SP-GA-7529** – To account for a Cooperative Agreement with the New Mexico State Highway and Transportation Department pursuant to NMSA, 1978 Section 67-3-28, as amended, and Section 67-3-28.2 NMSA as amended, and Commission Policy No. 44-92. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NMED SAP 04-1562** – To account for a grant agreement with the New Mexico State Environmental Department (NMSA 6-21-6.3). No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NMED SAP 05-1118** – To account for a grant agreement with the New Mexico State Environmental Department (NMSA 6-21-6.3). No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NMED SAP 04-0605** – To account for a grant agreement with the New Mexico State Environmental Department (NMSA 6-21-6.3). No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NMED SAP 05-0127** – To account for a grant agreement with the New Mexico State Environmental Department (NMSA 6-21-6.3). No budget was adopted for this fund because no revenues or expenditures were anticipated.

**NMED SAP 05-0088** – To account for a grant agreement with the New Mexico State Environmental Department (NMSA 6-21-6.3). No budget was adopted for this fund because no revenues or expenditures were anticipated.

**CDBG Wastewater** – To account for a combination of CDBG Funds, local cash, local in-kind, and Rural Utility Service 98-2 for Wastewater Improvements. Authority is by CDBG grant agreement.

**Flood Disaster** – To account for Executive Order #00-39, a resolution declaring areas of Luna County and the Village of Columbus as disaster areas. Authority is by resolution. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**Landfill Grant** – To account for EID Landfill Grant. Authority is by State grant agreement. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**Fire Grant** – To account for State Grant funds. Authority is by State grant agreement. No budget was adopted for this fund because no revenues or expenditures were anticipated.

**CDBG Water Treatment** – To account for CDBG Water Treatment Grant. Authority is by CDBG grant agreement.

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Non-Major Governmental Fund Types**  
**Combining Balance Sheet**  
**For the Year-Ended June 30, 2006**

	Special Revenue Funds	Capital Projects Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 177,778	\$ 591	\$ 178,369
Other receivables	22,252	-	22,252
Due from other governments	-	8,217	8,217
Total assets	<u>\$ 200,030</u>	<u>\$ 8,808</u>	<u>\$ 208,838</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 2,186	\$ 8,217	\$ 10,403
Accrued salaries	1,487	-	1,487
Deferred revenue	837	-	837
Total liabilities	<u>4,510</u>	<u>8,217</u>	<u>12,727</u>
Fund Balances:			
Reserved for capital projects funds		591	591
Unreserved for special revenue funds	195,520	-	195,520
Total fund balances	<u>195,520</u>	<u>591</u>	<u>196,111</u>
Total liabilities and fund balances	<u>\$ 200,030</u>	<u>\$ 8,808</u>	<u>\$ 208,838</u>

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Non-Major Governmental Fund Types**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Year-Ended June 30, 2006**

	Special Revenue Funds	Capital Projects Funds	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Taxes and shared taxes:			
Cigarette tax	\$ 190	\$ -	\$ 190
Gross receipts tax environmental	4,136	-	4,136
Gross receipts tax infrastructure	8,270	-	8,270
Gasoline tax municipal – 1 cent	8,048	-	8,048
Gasoline tax regular – 2 cents	8,551	-	8,551
Lodger's tax	3,516	-	3,516
Charges for services	124,520	-	124,520
Joint powers agreements	90,000	-	90,000
State allocation	30,500	-	30,500
Federal grants	28,471	6,175	34,646
State grant	16,672	767,992	784,664
Investment income	300	-	300
Miscellaneous income	216	-	216
Total revenues	<u>323,390</u>	<u>774,167</u>	<u>1,097,557</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	135,842	-	135,842
Public works	39,792	6,466	46,258
Culture and recreation	94,606	-	94,606
Health and welfare	1,039	-	1,039
Capital outlay	-	717,992	717,992
Total expenditures	<u>271,279</u>	<u>724,458</u>	<u>995,737</u>
Excess (deficiency) revenues over expenditures	52,111	49,709	101,820
Other financing sources (uses):			
Transfers in	101,560	89,615	191,175
Transfers out	(30,315)	(180,222)	(210,537)
Total other financing sources (uses)	<u>71,245</u>	<u>(90,607)</u>	<u>(19,362)</u>
Net change in fund balances	123,356	(40,898)	82,458
Fund balances – beginning	<u>72,164</u>	<u>41,489</u>	<u>113,653</u>
Fund balances – ending	<u>\$ 195,520</u>	<u>\$ 591</u>	<u>\$ 196,111</u>

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



STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Special Revenue Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2006

	Recreation	Library	EMS	Corrections	Lodger's Tax	CYFD	Cemetery	Sub-Total
\$	15,454	\$ 298	\$ 52,111	\$ 31,862	\$ 6,576	\$ -	\$ 1,765	\$ 108,066
	-	-	22,252	-	-	-	-	22,252
\$	15,454	\$ 298	\$ 74,363	\$ 31,862	\$ 6,576	\$ -	\$ 1,765	\$ 130,318

**ASSETS**

Cash and cash equivalents

Total assets

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable

Accrued salaries

Deferred revenue

Total liabilities

Fund balances:

Unreserved for special revenue funds

Total fund balances

Total liabilities and fund balances

\$	618	\$ 298	\$ 578	\$ -	\$ -	\$ -	\$ -	\$ 1,494
	516	245	388	-	-	-	-	1,149
	-	-	-	-	837	-	-	837
	1,134	543	966	-	837	-	-	3,480

14,320	(245)	73,397	31,862	5,739	-	-	1,765	126,838
14,320	(245)	73,397	31,862	5,739	-	-	1,765	126,838

\$	15,454	\$ 298	\$ 74,363	\$ 31,862	\$ 6,576	\$ -	\$ 1,765	\$ 130,318
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**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Non-Major Governmental Fund Types**  
**Special Revenue Funds**  
**Combining Balance Sheet**  
**For the Year Ended June 30, 2006**

	Law Enforcement	Gasoline Tax	Environmental GRT	Infrastructure GRT	Promotora	Cumulative Sub-total
\$	1,277	15,995	16,489	18,802	-	160,629
\$	1,277	15,995	16,489	18,802	-	22,252
						182,881

**ASSETS**

Cash and cash equivalents  
Other receivables  
Total assets

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable  
Accrued salaries  
Deferred revenue  
Total liabilities

\$	178	2	-	-	-	1,674
		221				1,370
						837
	178	223	-	-	-	3,881

Fund balances:

Unreserved for special revenue funds  
Total fund balances

	1,099	15,772	16,489	18,802	-	179,000
	1,099	15,772	16,489	18,802	-	179,000

Total liabilities and fund balances

\$	1,277	15,995	16,489	18,802	-	182,881
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STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Special Revenue Funds  
Combining Balance Sheet  
For the Year Ended June 30, 2006

	Community Center	COPS in School	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,149	\$ -	\$ 177,778
Other receivables	-	-	22,252
Total assets	<u>\$ 17,149</u>	<u>\$ -</u>	<u>\$ 200,030</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:			
Accounts payable	\$ 512	\$ -	\$ 2,186
Accrued salaries	117	-	1,487
Deferred revenue	-	-	837
Total liabilities	<u>629</u>	<u>-</u>	<u>4,510</u>
Fund balances:			
Reserved for special revenue funds	16,520	-	195,520
Total fund balances	<u>16,520</u>	<u>-</u>	<u>195,520</u>
Total liabilities and fund balances	<u>\$ 17,149</u>	<u>\$ -</u>	<u>\$ 200,030</u>

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2006

	Recreation	Library	EMS	Corrections	Lodger's Tax	CYFD	Cemetery	Sub-total
<b>REVENUE</b>								
Taxes and shared taxes:								
Cigarette tax	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	190
Gross receipts tax environmental	-	-	-	-	-	-	-	-
Gross receipts tax infrastructure	-	-	-	-	-	-	-	-
Gasoline tax municipal-1cent	-	-	-	-	-	-	-	-
Gasoline tax regular-2 cent	-	-	-	-	-	-	-	-
Lodger's tax	-	-	-	-	3,516	-	-	3,516
Charges for services	2,213	1,260	86,773	23,790	-	-	75	114,111
Joint powers agreements	5,000	5,000	50,000	-	-	-	-	60,000
State allocation	-	-	9,300	-	-	-	-	9,300
Federal grant	-	-	-	-	-	-	-	-
State grant	-	14,009	-	-	2,663	-	-	16,672
Investment income	-	-	-	300	-	-	-	300
Miscellaneous income	-	216	-	-	-	-	-	216
Total revenue	7,403	20,485	146,073	24,090	6,179	-	75	204,305
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	113,606	3,167	-	-	-	116,773
Public works	-	-	-	-	-	-	-	-
Culture and recreation	13,865	53,996	-	-	3,556	-	-	71,417
Health and welfare	-	-	-	-	-	-	1,039	1,039
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	13,865	53,996	113,606	3,167	3,556	-	1,039	189,229
Excess (deficiency) revenues over expenditures	(6,462)	(33,511)	32,467	20,923	2,623	-	(964)	15,076
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	7,027	34,451	-	-	40	4,202	1,443	47,163
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	7,027	34,451	-	-	40	4,202	1,443	47,163
Net change in fund balances	565	940	32,467	20,923	2,663	4,202	479	62,239
Fund balances - beginning	13,755	(1,185)	40,930	10,939	3,076	(4,202)	1,286	64,599
Fund balances - ending	\$ 14,320	\$ (245)	\$ 73,397	\$ 31,862	\$ 5,739	\$ -	\$ 1,765	\$ 126,838

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2006

	Law Enforcement	Gasoline Tax	Environmental GRT	Infrastructure GRT	Promotora	Cumulative Sub-total
<b>REVENUE</b>						
Taxes and shared taxes:						
Cigarette tax	\$ -	\$ -	\$ -	\$ -	\$ -	190
Gross receipts tax environmental	-	-	4,136	-	-	4,136
Gross receipts tax infrastructure	-	-	-	8,270	-	8,270
Gasoline tax municipal-1cent	-	8,048	-	-	-	8,048
Gasoline tax regular-2 cent	-	8,551	-	-	-	8,551
Lodger's tax	-	-	-	-	-	3,516
Charges for services	-	-	-	-	-	114,111
Joint powers agreements	-	-	-	-	-	60,000
State allocation	21,200	-	-	-	-	30,500
Federal grant	-	-	-	-	-	-
State grant	-	-	-	-	-	16,672
Investment income	-	-	-	-	-	300
Miscellaneous income	-	-	-	-	-	216
<b>Total revenue</b>	<b>21,200</b>	<b>16,599</b>	<b>4,136</b>	<b>8,270</b>	<b>-</b>	<b>254,510</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	19,069	-	-	-	-	135,842
Public works	-	39,792	-	-	-	39,792
Culture and recreation	-	-	-	-	-	71,417
Health and welfare	-	-	-	-	-	1,039
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>19,069</b>	<b>39,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,090</b>
Excess (deficiency) revenues over expenditures	2,131	(23,193)	4,136	8,270	-	6,420
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	24,925	-	-	18,071	90,159
Transfers out	(5,069)	-	(4,136)	(8,270)	-	(17,475)
Total other financing sources (uses)	(5,069)	24,925	(4,136)	(8,270)	18,071	72,684
Net change in fund balances	(2,938)	1,732	-	-	18,071	79,104
Fund balances - beginning	4,037	14,040	16,489	18,802	(18,071)	99,896
Fund balances - ending	\$ 1,099	\$ 15,772	\$ 16,489	\$ 18,802	\$ -	\$ 179,000

The accompanying notes are an integral part of these financial statements  
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STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2006

	Community Center	COPS in School	Cumulative Total
<b>REVENUE</b>			
Taxes and shared taxes:			
Cigarette tax	\$ -	\$ -	\$ 190
Gross receipts tax environmental	-	-	4,136
Gross receipts tax infrastructure	-	-	8,270
Gasoline tax municipal-1 cent	-	-	8,048
Gasoline tax regular-2 cent	-	-	8,551
Lodger's tax	-	-	3,516
Charges for services	10,409	-	124,520
Joint powers agreements	30,000	-	90,000
State allocation	-	-	30,500
Federal grant	-	28,471	28,471
State grant	-	-	16,672
Investment income	-	-	300
Miscellaneous income	-	-	216
Total revenue	<u>40,409</u>	<u>28,471</u>	<u>323,390</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	135,842
Public works	-	-	39,792
Culture and recreation	23,189	-	94,606
Health and welfare	-	-	1,039
Capital outlay	-	-	-
Total expenditures	<u>23,189</u>	<u>-</u>	<u>271,279</u>
Excess (deficiency) revenues over expenditures	<u>17,220</u>	<u>28,471</u>	<u>52,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	11,401	101,560
Transfers out	(12,840)	-	(30,315)
Total other financing sources (uses)	<u>(12,840)</u>	<u>11,401</u>	<u>71,245</u>
Net change in fund balances	<u>4,380</u>	<u>39,872</u>	<u>123,356</u>
Fund balances - beginning	<u>12,140</u>	<u>(39,872)</u>	<u>72,164</u>
Fund balances - ending	<u>\$ 16,520</u>	<u>\$ -</u>	<u>\$ 195,520</u>

The accompanying notes are an integral part of these financial statements  
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**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-RECREATION**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Cigarette tax	\$ 150	\$ 150	\$ 190	\$ 40
Joint powers agreement	5,000	5,000	5,000	-
Contributions	100	100	-	(100)
Charges for services	1,800	1,800	2,213	413
Total revenues	<u>7,050</u>	<u>7,050</u>	<u>7,403</u>	<u>353</u>
Add: beginning cash	15,454	15,454		
	<u>\$ 22,504</u>	<u>\$ 22,504</u>		
Expenditures				
Current				
Culture and recreation	19,124	19,124	14,430	4,694
Total expenditures	<u>19,124</u>	<u>19,124</u>	<u>14,430</u>	<u>4,694</u>
Excess (deficiency) revenues over expenditures			<u>(7,027)</u>	
Other financing sources (uses)				
Transfers in	-	-	7,027	7,027
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,027</u>	<u>7,027</u>
Net change in fund balance			-	
Differences Between GAAP and Non-GAAP				
Adjust accrued expenses			565	
Fund balance – beginning			<u>13,755</u>	
Fund balance – ending			<u>\$ 14,320</u>	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-LIBRARY**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
State grant	\$ 3,379	\$ 3,379	\$ 3,379	\$ -
Joint powers agreements	35,000	35,000	5,000	(30,000)
G.O. Bond	15,038	15,038	10,630	(4,408)
McCune grant	4,000	4,000	-	(4,000)
Contributions	-	-	216	216
Charges for services	1,600	1,600	1,260	(340)
Total revenues	59,017	59,017	20,485	(38,532)
Add: beginning cash	-	-		
	\$ 59,017	\$ 59,017		
Expenditures				
Current				
Culture and recreation	61,428	61,428	54,638	6,790
Total expenditures	61,428	61,428	54,638	6,790
Excess (deficiency) revenues over expenditures			(34,153)	
Other financing sources (uses)				
Transfers in	2,411	2,411	34,153	31,742
Transfers out	-	-	-	-
Total other financing sources (uses)	2,411	2,411	34,153	31,742
Net change in fund balance			-	
Differences Between GAAP and Non-GAAP				
Adjust accrued expenses		887		
Adjust transfers in		53		
			940	
Fund balance – beginning			(1,185)	
Fund balance – ending			\$ (245)	

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



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**PROPRIETARY FUND-EMERGENCY MEDICAL SERVICES**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
State allotment	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Joint powers agreements	6,500	6,500	50,000	43,500
Charges for services	30,000	30,000	55,989	25,989
Total revenues	<u>45,800</u>	<u>45,800</u>	<u>115,289</u>	<u>69,489</u>
 Add: beginning cash	 44,664	 44,664		
	<u>\$ 90,464</u>	<u>\$ 90,464</u>		
 Expenditures				
Current				
Public safety	78,079	78,079	107,842	(29,763)
Total expenditures	<u>78,079</u>	<u>78,079</u>	<u>107,842</u>	<u>(29,763)</u>
 Excess (deficiency) revenues over expenditures			<u>7,447</u>	
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance			7,447	
 Differences Between GAAP and Non-GAAP				
Adjust accrued revenue		30,784		
Adjust accrued expenses		<u>(5,764)</u>		
			25,020	
 Fund balance – beginning			<u>40,930</u>	
 Fund balance – ending			<u>\$ 73,397</u>	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-CORRECTIONS**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Bench warrants	\$ 3,000	\$ 3,000	\$ 3,779	\$ 779
Reimbursements	14,000	14,000	12,612	(1,388)
Jail maintenance fees	5,500	5,500	5,081	(419)
Court automation fees	2,000	2,000	1,489	(511)
Judicial education fees	700	700	489	(211)
Investment income	-	-	300	300
Total revenues	25,200	25,200	23,750	(1,450)
Add: beginning cash	11,279	11,279		
	\$ 36,479	\$ 36,479		
Expenditures				
Current				
Public safety	16,700	16,700	3,167	13,533
Total expenditures	16,700	16,700	3,167	13,533
Excess (deficiency) revenues over expenditures			20,583	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	9,449	9,449	-	9,449
Total other financing sources (uses)	9,449	9,449	-	9,449
Net change in fund balance			20,583	
Differences Between GAAP and Non-GAAP				
Adjust accrued revenue			340	
Fund balance – beginning			10,939	
Fund balance – ending			\$ 31,862	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-LODGERS' TAX**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Lodgers' tax	\$ 2,500	\$ 2,500	\$ 3,516	\$ 1,016
State grant	-	-	3,500	3,500
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>7,016</u>	<u>4,516</u>
 Add: beginning cash	 3,076	 3,076		
	<u>\$ 5,576</u>	<u>\$ 5,576</u>		
 Expenditures				
Current				
Culture and recreation	3,500	3,500	3,556	(56)
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,556</u>	<u>(56)</u>
 Excess (deficiency) revenues over expenditures			<u>3,460</u>	
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance			3,460	
 Differences Between GAAP and Non-GAAP				
Adjust accrued revenues		(837)		
Adjust transfer		<u>40</u>	(797)	
 Fund balance – beginning			<u>3,076</u>	
 Fund balance – ending			<u>\$ 5,739</u>	

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-CEMETERY**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 350	\$ 350	\$ 75	\$ (275)
Total revenues	<u>350</u>	<u>350</u>	<u>75</u>	<u>(275)</u>
Add: beginning cash	<u>1,765</u>	<u>1,765</u>		
	\$ <u>2,115</u>	\$ <u>2,115</u>		
Expenditures				
Current				
Health and welfare	<u>2,140</u>	<u>2,140</u>	<u>1,039</u>	<u>1,101</u>
Total expenditures	<u>2,140</u>	<u>2,140</u>	<u>1,039</u>	<u>1,101</u>
Excess (deficiency) revenues over expenditures			<u>(964)</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance			(964)	
Differences Between GAAP and Non-GAAP				
Adjust transfers			1,443	
Fund balance – beginning			<u>1,286</u>	
Fund balance – ending			\$ <u>1,765</u>	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-LAW ENFORCEMENT PROTECTION**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental income	\$ 21,200	\$ 21,200	\$ 21,200	\$ -
Total revenues	<u>21,200</u>	<u>21,200</u>	<u>21,200</u>	<u>-</u>
Add: beginning cash	<u>367</u>	<u>367</u>		
	\$ <u>21,567</u>	\$ <u>21,567</u>		
Expenditures				
Current				
Public safety	<u>21,200</u>	<u>21,200</u>	<u>20,290</u>	<u>910</u>
Total expenditures	<u>21,200</u>	<u>21,200</u>	<u>20,290</u>	<u>910</u>
Excess (deficiency) revenues over expenditures			<u>910</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance			910	
Differences Between GAAP and Non-GAAP				
Adjust accrued expenses		1,221		
Adjust transfers		<u>(5,069)</u>	(3,848)	
Fund balance – beginning			<u>4,037</u>	
Fund balance – ending			\$ <u>1,099</u>	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-GASOLINE TAX**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Gasoline tax municipal 1 cent	\$ 10,000	\$ 10,000	\$ 8,048	\$ (1,952)
Gasoline tax regular 2 cents	13,000	13,000	8,551	(4,449)
Total revenues	23,000	23,000	16,599	(6,401)
 Add: beginning cash	 15,996	 15,996		
	\$ 38,996	\$ 38,996		
 Expenditures:				
Current				
Public works	37,653	37,653	41,525	(3,872)
Total expenditures	37,653	37,653	41,525	(3,872)
 Excess (deficiency) revenues over expenditures			(24,926)	
 Other financing sources (uses)				
Transfers in	-	-	24,925	24,925
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	24,925	24,925
 Net change in fund balance			(1)	
 Differences Between GAAP and Non-GAAP				
Adjust accrued expenses			1,733	
 Fund balance – beginning			14,040	
 Fund balance – ending			\$ 15,772	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-ENVIRONMENTAL GROSS RECEIPTS**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Gross receipts tax environmental	\$ 3,500	\$ 3,500	\$ 4,136	\$ 636
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>4,136</u>	<u>636</u>
Add: beginning cash	<u>16,489</u>	<u>16,489</u>		
	\$ <u>19,989</u>	\$ <u>19,989</u>		
Expenditures				
Current				
Public works	<u>3,500</u>	<u>3,500</u>	-	<u>3,500</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	-	<u>3,500</u>
Excess (deficiency) revenues over expenditures			<u>4,136</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance			4,136	
Differences Between GAAP and Non-GAAP				
Adjust transfers			(4,136)	
Fund balance – beginning			<u>16,489</u>	
Fund balance – ending			\$ <u>16,489</u>	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-INFRASTRUCTURE GROSS RECEIPTS**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Gross receipts tax infrastructure	\$ 7,000	\$ 7,000	\$ 8,270	\$ 1,270
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>8,270</u>	<u>1,270</u>
Add: beginning cash	<u>18,802</u>	<u>18,802</u>		
	<u>\$ 25,802</u>	<u>\$ 25,802</u>		
Expenditures				
Current				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues over expenditures			<u>8,270</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(8,270)</u>	<u>6,730</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(8,270)</u>	<u>6,730</u>
Net change in fund balance			-	
Differences Between GAAP and Non-GAAP				
Fund balance – beginning			<u>18,802</u>	
Fund balance – ending			<u>\$ 18,802</u>	

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



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-COMMUNITY CENTER**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 1,500	\$ 1,500	\$ 809	\$ (691)
Rental income	9,600	9,600	9,600	-
Joint powers agreements	25,750	25,750	30,000	4,250
Total revenues	36,850	36,850	40,409	3,559
 Add: beginning cash	 -	 -		
	\$ 36,850	\$ 36,850		
 Expenditures				
Current				
Culture and recreation	30,732	30,732	23,260	7,472
Total expenditures	30,732	30,732	23,260	7,472
 Excess (deficiency) revenues over expenditures			17,149	
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
 Net change in fund balance			17,149	
 Differences Between GAAP and Non-GAAP				
Adjust accrued expenses		71		
Adjust transfers		(12,840)	(12,769)	
 Fund balance – beginning			12,140	
 Fund balance – ending			\$ 16,520	

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

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**SPECIAL REVENUE FUND-COPS IN SCHOOL**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal grants	\$ 28,471	\$ 28,471	\$ 28,471	\$ -
Total revenues	<u>28,471</u>	<u>28,471</u>	<u>28,471</u>	<u>-</u>
Add: beginning cash	<u>(28,471)</u>	<u>(28,471)</u>		
	\$ <u>-</u>	\$ <u>-</u>		
Expenditures				
Current				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues over expenditures			<u>28,471</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance			28,471	
Differences Between GAAP and Non-GAAP				
Adjust transfers			11,401	
Fund balance – beginning			<u>(39,872)</u>	
Fund balance – ending			\$ <u>-</u>	

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

**CAPITAL PROJECT FUNDS**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2006

	Road Systems '01	Road Systems '02	NM DOT SP-GA-7625	NM DOT SP-GA-7529	NMED SAP 04-1562	NMED SAP 05-1118	NMED SAP 04-0605	Sub-totals
\$	-	\$	-	\$	-	\$	-	\$
\$	-	\$	-	\$	-	\$	-	\$

**ASSETS**

Cash and cash equivalents  
Due from other governments  
Total assets

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable  
Due to other funds  
Total liabilities

Fund balances:

Reserved for capital projects  
Total fund balances

Total liabilities and fund balances

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2006

	NMED SAP 05-0127	NMED SAP 05-0088	CDBG Wastewater	Flood Disaster	Landfill Grant	Fire Grant	CDBG Water Treatment	Totals
\$	-	\$ -	191	\$ -	-	\$ -	400	\$ 591
	-	8,217	-	-	-	-	-	8,217
\$	-	\$ 8,217	191	\$ -	-	\$ -	400	\$ 8,808

**ASSETS**

Cash and cash equivalents  
Due from other governments  
Total assets

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	\$ -	8,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,217
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	8,217	-	-	-	-	-	8,217

Fund balances:

Reserved for capital projects	-	-	191	-	-	-	400	591
Total fund balances	-	-	191	-	-	-	400	591
Total liabilities and fund balances	\$ -	\$ 8,217	\$ 191	\$ -	\$ -	\$ -	\$ 400	\$ 8,808

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For Year Ended June 30, 2006

	Road Systems '01	Road Systems '02	NM DOT SP-GA-7625	NM DOT SP-GA-7529	NMED SAP 04-1562	NMED SAP 05-1118	NMED SAP 04-0605	Sub-total
<b>REVENUE</b>								
State grant	-	\$ -	408,023	149,071	50,000	56,709	36,656	\$ 700,459
Federal grant	-	-	-	-	-	-	-	-
Total revenues	-	-	408,023	149,071	50,000	56,709	36,656	700,459
<b>EXPENDITURES</b>								
Current:								
Capital outlay	-	-	408,023	149,071	-	56,709	36,656	650,459
Total expenditures	-	-	408,023	149,071	-	56,709	36,656	650,459
Excess (deficiency) revenues over expenditures	-	-	-	-	50,000	-	-	50,000
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	40,511	-	-	-	-	-	40,511
Transfers out	(40,511)	(33,572)	-	-	(50,000)	-	-	(124,083)
Total other financing sources (uses)	(40,511)	6,939	-	-	(50,000)	-	-	(83,572)
Net change in fund balances	(40,511)	6,939	-	-	-	-	-	(33,572)
Fund balances - beginning	40,511	(6,939)	-	-	-	-	-	33,572
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.  
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STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Non-Major Governmental Fund Types  
Capital Projects Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For Year Ended June 30, 2006

	NMED SAP 05-0127	NMED SAP 05-0088	CDBG Wastewater	Flood Disaster	Landfill Grant	Fire Grant	CDBG Water Treatment	Cumulative Totals
<b>REVENUE</b>								
State grant	\$ 59,316	\$ 8,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,992
Federal grant			6,175	-	-	-	-	6,175
Total revenues	59,316	8,217	6,175	-	-	-	-	774,167
<b>EXPENDITURES</b>								
Current:								
Public works			6,466	-	-	-	-	6,466
Capital outlay	59,316	8,217	-	-	-	-	-	717,992
Total expenditures	59,316	8,217	6,466	-	-	-	-	724,458
Excess (deficiency) revenues over expenditures	-	-	(291)	-	-	-	-	49,709
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in						49,104		89,615
Transfers out			(10,351)	(25,048)	(7,772)	-	(12,968)	(180,222)
Total other financing sources (uses)			(10,351)	(25,048)	(7,772)	49,104	(12,968)	(90,607)
Net change in fund balances	-	-	(10,642)	(25,048)	(7,772)	49,104	(12,968)	(40,898)
Fund balances - beginning	-	-	10,833	25,048	7,772	(49,104)	13,368	41,489
Fund balances - ending	\$ -	\$ -	\$ 191	\$ -	\$ -	\$ -	\$ 400	\$ 591

The accompanying notes are an integral part of these financial statements.  
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**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**CAPITAL PROJECTS-CDBG WASTEWATER**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ 25,000	\$ 25,000	\$ 6,175	\$ (18,825)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>6,175</u>	<u>(18,825)</u>
Add: beginning cash	-	-		
	<u>\$ 25,000</u>	<u>\$ 25,000</u>		
Expenditures				
Professional fees	-	25,000	6,466	18,534
Total expenditures	<u>-</u>	<u>25,000</u>	<u>6,466</u>	<u>18,534</u>
Excess (deficiency) revenues over expenditures			<u>(291)</u>	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(10,351)	(10,351)	-
Total other financing sources (uses)	<u>-</u>	<u>(10,351)</u>	<u>(10,351)</u>	<u>-</u>
Net change in fund balance			(10,642)	
Fund balance – beginning			<u>10,833</u>	
Fund balance – ending			\$ <u>191</u>	

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



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**CAPITAL PROJECTS-CDBG WATER TREATMENT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual (Cash Basis)**  
**For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
0Federal grants	\$ 431,630	\$ 431,630	\$ -	\$ (431,630)
Total revenues	<u>431,630</u>	<u>431,630</u>	<u>-</u>	<u>(431,630)</u>
 Add: beginning cash	 13,368	 13,368		
	<u>\$ 444,998</u>	<u>\$ 444,998</u>		
 Expenditures				
Capital outlay	431,630	431,630	-	431,630
Total expenditures	<u>431,630</u>	<u>431,630</u>	<u>-</u>	<u>431,630</u>
 Excess (deficiency) revenues over expenditures			<u>-</u>	
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(12,968)	(12,968)	-
Total other financing sources (uses)	<u>-</u>	<u>(12,968)</u>	<u>(12,968)</u>	<u>-</u>
 Net change in fund balance			(12,968)	
 Fund balance – beginning			<u>13,368</u>	
 Fund balance – ending			\$ <u>400</u>	

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

**PROPRIETARY FUND BUDGET**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
PROPRIETARY FUND – JOINT UTILITIES  
Schedule of Revenues, Expenses and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual (Cash Basis)  
For the Year-Ended June 30, 2006**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues				
Water:				
Utility services	\$ 136,000	\$ 136,000	\$ 150,733	\$ 14,733
Connections	6,000	6,000	4,217	(1,783)
Reconnections	300	300	470	170
Penalties	8,000	8,000	10,278	2,278
Water conservation fee	2,000	2,000	1,966	(34)
Standby	19,000	19,000	212	(18,788)
Assessments	3,000	3,000	5,972	2,972
Gross receipts taxes	9,000	9,000	10,951	1,951
	183,300	183,300	184,799	1,499
Sewer:				
Utility services	51,000	51,000	44,370	(6,630)
Connections	5,000	5,000	3,888	(1,112)
Penalties	-	-	195	195
Dumping fee	7,000	7,000	-	(7,000)
Standby	7,000	7,000	75	6,925
	70,000	70,000	48,528	(7,622)
Landfill:				
Sales	43,000	43,000	43,938	938
Joint powers agreements	4,500	4,500	5,000	500
	47,500	47,500	48,938	1,438
Total revenues	300,800	300,800	282,265	(4,685)
Add: beginning cash	198,037	198,037		
	\$ 498,837	\$ 498,837		
Expenses				
Water:				
Personnel	68,264	68,264	82,648	(14,384)
Operating expenses	110,200	110,200	85,560	24,640
	178,464	178,464	168,208	10,256
Sewer:				
Personnel	28,731	28,731	33,394	(4,663)
Operating expenses	40,700	40,700	31,032	9,668
	69,431	69,431	64,426	5,005
Landfill:				
Personnel	30,436	30,436	30,815	(379)
Operating expenses	27,500	27,500	30,692	(3,192)
	57,936	57,936	61,507	(3,571)
Total expenses	305,831	305,831	294,141	11,690
Excess (deficiency) of revenues over expenses			(11,876)	

The accompanying Notes are an integral part of the Financial Statements.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
PROPRIETARY FUND – JOINT UTILITIES  
Schedule of Revenues, Expenses and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual (Cash Basis)  
For the Year-Ended June 30, 2006**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Transfers in	15,000	15,000	28,467	13,467
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>	<u>28,467</u>	<u>13,467</u>
Net change in fund balance			16,591	
Difference between GAAP and Non-GAAP				
Adjust accrued revenue		(33,595)		
Depreciation expense		(292,121)		
Adjust transfers		101,373		
Adjust for accrued expenses		<u>11,544</u>		
			(212,799)	
Net assets – beginning			<u>4,565,353</u>	
Net assets – ending			\$ <u>4,369,145</u>	

The accompanying Notes are an integral part of the Financial Statements.

**AGENCY FUNDS**

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
June 30, 2006**

**AGENCY FUNDS**

Municipal Court Funds

To account for the collection and disbursement of funds

**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds**  
**June 30, 2006**

Municipal Court	<u>June 30,</u> <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2006</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 9,398	\$ 4,320	\$ 4,287	\$ 9,431
Total assets	<u>\$ 9,398</u>	<u>\$ 4,320</u>	<u>\$ 4,287</u>	<u>\$ 9,431</u>
<b>Liabilities</b>				
Accounts payable	\$ 9,398	\$ 4,320	\$ 4,287	\$ 9,431
Total liabilities	<u>\$ 9,398</u>	<u>\$ 4,320</u>	<u>\$ 4,287</u>	<u>\$ 9,431</u>

The accompanying Notes are an integral part of the Financial Statements.

## **SUPPORTING SCHEDULES**



**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Depositories and Pledged Collateral  
June 30, 2006**

Bank		Amount		Plus		Less		Balance
First New Mexico Bank	Type	Per Bank		DIT		O/S Checks		Per Books
General-Operating	CK	\$ 576,097	\$	494	\$	47,129	\$	529,462
General	SV	1,272		-		-		1,272
Payroll	CK	4,139		-		3,277		862
Municipal	CK	9,431		-		-		9,431
Corrections	CD	10,390		-		-		10,390
CDBG Water	CK	200		-		9		191
Water Savings	SV	8,331		-		-		8,331
USDA Wastewater	CK	200		-		-		200
USDA H2O	CK	200		-		-		200
Cemetery	CK	2,714		-		-		2,714
<b>Total</b>		<b>\$ 612,974</b>	<b>\$</b>	<b>494</b>	<b>\$</b>	<b>50,415</b>	<b>\$</b>	<b>563,053</b>

**Legend**

SV-Savings

CK-Checking

CD-Certificate of Deposit

	1 <sup>st</sup> New Mexico Bank
Amount Held in Bank June 30, 2006	\$ 612,974
Less FDIC Insurance	119,993
Uninsured Public Funds	492,981
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	246,490
Pledged Security	710,000
Over (Under) Collateral	\$ 463,510

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS**  
Schedule of Collateral Pledged by Depository for Public Funds  
June 30, 2006

Description	Par Value	Name and Location of Safekeeper
Socorro Cons., CUSIP #83368PAF3, Matures 8/1/2007	\$ 125,000	Federal Home Loan Bank Dallas, Texas
Tucumcari NM Municipal. CUSIP #898881CB1, Matures 8/01/2013	110,000	Federal Home Loan Bank Dallas, Texas
Dexter NM Cons., CUSIP #252345CS0 Matures 8/1/06	45,000	Federal Home Loan Bank Dallas, Texas
Catron & Cibola Cntys NM ISD #2, CUSIP #149321BQ3, Matures 7/15/2014	130,000	Federal Home Loan Bank Dallas, Texas
Santa Rosa NM, CUSIP #802751CA3, Matures 7/1/2012	300,000	Federal Home Loan Bank Dallas, Texas
	<u>\$ 710,000</u>	

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

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Grant Expenditures  
June 30, 2006**

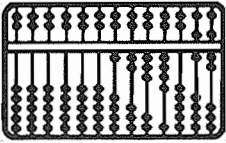
	Grant ID	State Grant	Federal Grant	Total
New Mexico Department of Public Safety, Office of Emergency Management, Overtime Grant	05-040-006	\$ 35,892	\$ -	\$ 35,892
New Mexico Governor's Office of Homeland Security, Overtime Grant	05-NMCO-007	93,750	-	93,750
New Mexico Department of Cultural Affairs, CLG Walking Tour Grant	35-06-21534.06	2,663	-	2,663
New Mexico Environmental Department, Water System Improvements	SAP 04-1562-STB	50,000	-	50,000
New Mexico Environmental Department, Water System Improvements	SAP 05-1118-GF	56,709	-	56,709
New Mexico Environmental Department, Water System Improvements	SAP 04-0605-CP	36,656	-	36,656
New Mexico Environmental Department, Water System Improvements	SAP 05-1127-STB	59,316	-	59,316
New Mexico Environmental Department, Water System Improvements	SAP 05-0088-STB	8,217	-	8,217
U.S. Department of Housing and Urban Development, passed through New Mexico Local Government Division, CDBG Planning Grant	04-C-RS-I-6-G-91	-	6,175	6,175
New Mexico Department of Transportation	SP-GA-7629-206	408,024	-	408,024
New Mexico Department of Transportation	SP-GA-7529-210	149,071	-	149,071
Office of Homeland Security, Federal Emergency Management Agency, Fire Assistance Grant	EMW-2004-GF-12981	-	61,775	61,775
U.S. Department of Justice, Office of Community Oriented Policing	Unknown	-	28,471	28,471
New Mexico State Library, Grants in Aid	N/A	3,379	-	3,379
New Mexico State Library, GO Bonds for Public Library Resources	N/A	10,629	-	10,629
<b>Totals</b>		<b>\$ 914,306</b>	<b>\$ 96,421</b>	<b>\$ 1,010,727</b>

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

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
JOINT POWERS AGREEMENTS  
JUNE 30, 2006**

Participants:	Village of Columbus and Luna County
Responsible Party:	Luna County
Description:	Luna County shall continue to provide funding for EMS, Fire, Landfill, Recreation, Library, and the Community Center.
Period:	Perpetual
Project Costs:	95,000
County Contributions:	95,000
Fiscal Agent:	Luna County
Audit Responsibility:	Luna County
Government agency where revenues and expenditures are reported:	Luna County
Participants:	Village of Columbus and Luna County
Responsible Party:	Luna County
Description:	Luna County shall continue to provide for the maintenance of certain roads which are necessary and incidental to the use and general welfare of the Village and to provide for the maintenance of the County's wastewater treatment plant located in the Columbus International Industrial Park.
Period:	Perpetual
Project Costs:	Undeterminable maintenance costs
County Contributions:	Undeterminable reimbursements for major repairs
Fiscal Agent:	Luna County
Audit Responsibility:	Luna County
Government agency where revenues and expenditures are reported:	Luna County

## **COMPLIANCE SECTION**



**MARCUS,  
FAIRALL,  
BRISTOL + CO., L.L.P.**

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

Hector H. Balderas  
New Mexico State Auditor  
The Board of Trustees  
Village of Columbus, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Columbus, New Mexico, (Village) as of and for the year-ended June 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village's non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year-ended June 30, 2006 as listed in the table of contents. These financial statements are the responsibility of Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2005-05, 2005-08, 2005-09, 2006-01, 2006-02, and 2006-03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above as 2006-01 is considered a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Columbus's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of non-compliance or other matters that we are required to report under *Government Auditing Standards* and that are described in the accompanying Schedule of Findings and Questioned Costs as Items 2005-01, 2005-02, and 2005-04.

This report is intended solely for the information and use of the Board of Trustees, management, Federal and State Awarding agencies, the New Mexico Legislature, and the New Mexico Department of Finance and Administration, and the Office of the New Mexico State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Marcus, Farnell, Bristol & Co., LLP*  
El Paso, Texas  
June 3, 2008

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Findings and Recommendations  
June 30, 2006**

**Section I-Reportable Findings and Questioned Costs-Financial Statement**

Prior Year Reportable Findings and Questioned Costs – Financial Statement

Finding 2005-01 Lodger’s Tax Audit - Repeated

Finding 2005-02 Legal Compliance with Budget - Repeated

Finding 2005-03 Financial Records - Resolved

Finding 2005-04 Completion of Audit Report – Repeated

Finding 2005-05 Authorizing Transfers - Repeated

Finding 2005-06 Failure to Acquire State Approval for a Contract – Resolved

Finding 2005-07 Failure to Submit Workers’ Compensation Insurance Returns – Resolved

Finding 2005-08 Improper Use of Proceeds from Sale of Vehicles– Repeated

Finding 2005-09 Improper Sale of Confiscated Vehicles – Repeated

Finding 2005-10 Application of State Grant Funds – Resolved

Finding 2005-11 Failure to Submit an Interim Budget Request– Resolved

Current Year Reportable Findings and Questioned Costs:

Reportable Findings and Questioned Costs – Financial Statements Audit

Finding 2005-01 Lodger’s Tax Audit

Condition

The Village failed to perform procedures that would assure that occupancy tax on municipal Lodgers are being collected.

Criteria

Compliance with NMSA 3-38-17.1 indicates that municipalities with receipts over \$250,000 in occupancy tax proceeds shall select for annual random audits one or more vendors to verify the amount of gross rent subject to the occupancy tax and to ensure that the full amount of occupancy tax on that rent is collected. The governing body of any municipality collecting less than \$250,000 in occupancy tax shall conduct random audits to verify full payment of occupancy tax receipts. Copies of audits completed shall be filed annually with the local government division of the department of finance and administration.

Cause

Oversight.

Effect

Collection of occupancy tax from lodgers is not assured of being fully realized.



**STATE OF NEW MEXICO**  
**VILLAGE OF COLUMBUS**  
**Schedule of Findings and Recommendations**  
**June 30, 2006**

Reportable Findings and Questioned Costs – Financial Statements Audit (continued)

Finding 2005-01 Lodger's Tax Audit (continued)

Recommendation

Since the Village collects less than \$250,000 in occupancy tax, the Village needs to develop a policy to perform random audits to verify full payment of occupancy tax receipts. Document adherence to this policy and file the necessary report with the Department of Finance and Administration.

Response

The Village will implement this recommendation.

Finding 2005-02 Legal Compliance with Budget

Condition

The Village's authorized budget within the General Fund was \$512,477. During the fiscal year, the Village expended \$567,639 within the fund. The Village exceeded its approved budget by \$55,612. The Village used the excess to pay for operating expenses. The Village violated state statutes by exceeding the authorized budget within the General Fund.

The Village's authorized budget within the EMS Fund was \$78,079. During the fiscal year, the Village expended \$107,842 within the fund. The Village exceeded its approved budget by \$29,763. The Village used the excess to pay for operations. The Village violated state statutes by exceeding the authorized budget within the EMS Fund.

The Village's authorized budget within the Lodgers Tax Fund was \$3,500. During the fiscal year, the Village expended \$3,556 within the fund. The Village exceeded its approved budget by \$56. The Village used the excess to pay for advertising project. The Village violated state statutes by exceeding the authorized budget within the Lodgers Tax Fund.

The Village's authorized budget within the Infrastructure Gasoline Tax Fund was \$37,653. During the fiscal year, the Village expended \$41,525 within the fund. The Village exceeded its approved budget by \$3,872. The Village violated state statutes by exceeding the authorized budget within the Gasoline Tax Fund.

Criteria

Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payment in excess of the approved budget. The Village officials and governing authorities have the obligation to follow applicable state statutes.

Cause

Village personnel did not have adequate monitoring process in place to prevent the over-expenditures.

Effect

Non-compliance with New Mexico state statutes could subject officials and employees to penalties and fines required by state statutes.

Recommendation

We recommend that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Findings and Recommendations  
June 30, 2006**

Reportable Findings and Questioned Costs – Financial Statements Audit (continued)

Finding 2005-02 Legal Compliance with Budget (continued)

Response

The Village has implemented procedures to insure compliance in the future.

Finding 2005-04 Completion of Audit Report

Condition

The audit report was not completed and forwarded to the New Mexico State Auditor in a timely manner. The report was delivered on June 15, 2008.

Criteria

As per SAO 2.2.2.9, A (4), the New Mexico State Audit contract calls for this audit report to be delivered by December 1, 2006.

Cause

The audit was not submitted to the Village until June 5, 2008. The current year auditor's contract was not awarded in the normal course of distribution. Also, additional time was needed by the auditor to assemble the necessary financial information.

Effect

Violation of the State Auditor's Rule. Audited financial information is not available for the Village of Columbus to use and distribute as necessary.

Recommendation

The Village, along with the auditor, must implement procedures that would produce a timely audit. Proper accounting control must be established where the Village staff is able to produce financial information for the auditor that has been properly reconciled.

Response

The Village is working to improve the timeliness of the audit reports.

Finding 2005-05 Authorizing Transfers

Condition

Although transfers in and transfers out between funds are budgeted on the Village's approved budget, follow up action is not being taken by staff personnel to actually make the bookkeeping entry to reflect the transfers in the general ledger system. Also, Council approval is not obtained before transfers are undertaken.

Criteria

Adequate internal controls over all funds are required by 6.6.3 NMSA 1989.

Cause

Lack of procedures for making these types of entries to the general ledger system.

Effect

The bookkeeping entry for transfers is not being made. Fund balances do not reflect these transactions and therefore cash balances are being carried incorrectly.

Recommendation

The Village staff personnel should monitor transfers as budgeted. A schedule of when these transfers will need to be made should be compiled. Necessary council approval must be obtained before a transfer is recorded. Once approved by the council the entry should be made to the general ledger system to record the transaction.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Findings and Recommendations  
June 30, 2006**

Reportable Findings and Questioned Costs – Financial Statements Audit (continued)

Finding 2005-05 Authorizing Transfers (continued)

Response

This recommendation will be implemented.

Finding 2005-08 Improper Use of Proceeds from Sale of Vehicles

Condition

There is no record of the proceeds from the sale of confiscated vehicles being used for drug abuse treatment services.

Criteria

Section 31-27-7, NMSA 1978, requires remaining balances from the sale of seized property be used for drug abuse treatment.

Cause

The proceeds were deposited in the General Fund and used for operating expenses.

Effect

The Village failed to use the proceeds as designated by state statutes.

Recommendation

The Village should monitor all proceeds received from sales and verify that they are being used properly.

Response

This recommendation will be implemented.

Finding 2005-09 Improper Sale of Confiscated Vehicles

Condition

The Village sold confiscated vehicles to employees on an installment plan.

Criteria

Section 3-37-2, NMSA 1978, management shall appropriate money for municipal purposes only.

Cause

Confiscated vehicles were sold to Village employees on an installment plan.

Effect

The Village failed to follow the state code regarding the appropriation of state funds by providing loans for employees.

Recommendation

The Village should collect all monies owed by employees to the Village on the sale of vehicles. The Village should not sell any confiscated vehicles on any installment plan.

Response

This recommendation will be implemented.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Findings and Recommendations  
June 30, 2006**

Reportable Findings and Questioned Costs – Financial Statements Audit (continued)

Finding 2006-01 Failure to Properly Account for Grant Proceeds

Condition

The Village failed to record the activity of State grants totaling \$160,898 for the wastewater and water systems improvements. The grant reimbursements were sent directly to the contractor, but copies were provided to the Village.

Criteria

Section 6-6-2, NMSA 1978, management shall maintain records of all grant awards.

Cause

The Village personnel did monitor revenue and expenditures of these grants, but failed to record the activity in the general ledger.

Effect

The failure to record the grant activity caused the assets, revenues, and expenditures to be understated.

Recommendation

The Village personnel should record all grants that are being administered on their behalf.

Response

This recommendation will be implemented.

Finding 2006-02 Invoice Processing

Condition

The Village's personnel were not properly processing invoices for payment. Out of 101 invoices tested, all of the invoices were not cancelled.

Criteria

Sound internal controls require that all invoices be cancelled after being paid to help prevent duplicate payments.

Cause

Village personnel did not have a system in place to allow for the proper processing of invoices.

Effect

Several invoices were processed and paid with no approval which violates good internal control procedures.

Recommendation

We recommend that personnel set a system in place to ensure that all invoices are cancelled.

Response

This recommendation will be implemented.

Finding 2006-03 Failure to Properly Account for EMS Fees for Service

Condition

The Village failed to record the activity of EMS fund totaling \$22,252 for the charges for services provided. The Hatch ambulance service was contracted to collect the fees on the behalf of the Village of Columbus. The fees were sent directly to the contractor. After deducting the charges for the services, the contractor would remit the balance to the Village. The fees that were not collected were not posted by the Village of Columbus.

Criteria

Section 6-6-2, NMSA 1978, management shall maintain records of all grant awards.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Schedule of Findings and Recommendations  
June 30, 2006**

Reportable Findings and Questioned Costs – Financial Statements Audit (continued)

Finding 2006-03 Failure to Properly Account for EMS Fees for Service (continued)

Cause

The Village personnel did monitor revenues for the services and failed to record the activity in the general ledger.

Effect

The failure to record the charges for services caused the assets and revenues, to be understated.

Recommendation

The Village personnel should monitor and record all fees that are being administered on their behalf.

Response

This recommendation will be implemented.

**STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
Exit Conference  
June 30, 2006**

**EXIT CONFERENCE**

As exit conference was held on June 3, 2008 with Jack Fairall, CPA, of Marcus, Fairall, Bristol & Co., LLP with the following Village officials:

Imelda Aguayo  
Robert Ransom Oden

Assistant Treasurer  
Trustee

**COMPILATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report were compiled by the auditors, Marcus, Fairall, Bristol, and Co., LLP.