

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
AUDIT REPORT
JUNE 30, 2008**

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
JUNE 30, 2008**

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
VILLAGE OF CORRALES
JUNE 30, 2008

OFFICIAL ROSTER

Mayor and Councilmen

<u>Name</u>	<u>Title</u>
Phillip Gasteyer	Mayor
John P. Alsobrook II	Councilor
Sayre Gerhart	Councilor
Patricia S. Clauser	Councilor
James F. Fahey, Jr.	Councilor
Gerard A. Gaglian	Councilor
Bonnie L. Gonzales	Councilor

Administrative Officials

Nora Scherzinger	Village Administrator
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FINANCIAL STATEMENTS SECTION



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Phillip Gasteyer, Mayor
Village Council
Village of Corrales
Corrales, New Mexico
and
Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Corrales, New Mexico as of and for the year ended June 30, 2008, 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 nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Village of Corrales, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Corrales, New Mexico as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund, the Loma Larga Fund, and Far North West Sector Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects,

the respective financial position of each nonmajor governmental fund, of the Village of Corrales, New Mexico as of June 30, 2008, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2008 on our consideration of the Village of Corrales, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Village of Corrales has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

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

Pattillo, Brown & Hill LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
November 12, 2008

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,531,190
Receivables (net of allowance for uncollectibles)	<u>1,020,942</u>
Total current assets	<u>4,552,132</u>
Other assets:	
Restricted cash	<u>115,464</u>
Noncurrent assets	
Other assets-bond issue costs	57,202
Capital assets not being depreciated	
Land	3,892,074
Water Rights	230,621
Construction in progress	81,878
Capital assets being depreciated, net	<u>8,988,222</u>
Total noncurrent assets	<u>13,249,997</u>
Total assets	<u>17,917,593</u>
LIABILITIES	
Current liabilities:	
Accounts payable	674,854
Accrued payroll liabilities	49,282
Accrued interest payable	18,528
Current portion of long term debt	<u>100,000</u>
Total current liabilities	842,664
Noncurrent liabilities:	
Compensated absences	60,542
Bonds and notes less current portion	<u>2,170,000</u>
Total noncurrent liabilities	<u>2,230,542</u>
Total liabilities	<u>3,073,206</u>
NET ASSETS	
Invested in capital assets, net of related debt	10,922,795
Restricted for:	
Capital projects	782,446
Debt service	408,026
Unrestricted	<u>2,731,120</u>
Total net assets	<u>\$ 14,844,387</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 1,891,988	\$ 234,437	\$ -	\$ 166,500
Public Safety	2,578,934	229,973	879,576	-
Culture and Recreation	446,087	69,877	-	285,711
Public Works	628,301	2,240	-	1,399,550
Debt Service	79,416	-	-	-
Total Governmental Activities	\$ 5,624,726	\$ 536,527	\$ 879,576	\$ 1,851,761

General revenues:

Taxes:

Property taxes, levied for general purposes

Gross receipt taxes and fees

Franchise taxes

State shared taxes and fees

Other taxes

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets, beginning

Net assets, ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net
Assets

Primary Government

Governmental Activities

\$	(1,491,051)
	(1,469,385)
	(90,499)
	773,489
	(79,416)
	<hr/>
\$	(2,356,862)

	1,045,546
	1,062,215
	250,013
	964,181
	48,794
	117,356
	86,176
	<hr/>
	3,574,281
	<hr/>
	1,217,419
	<hr/>
	13,626,968
	<hr/>
\$	14,844,387

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	General Fund	Loma Larga	Far North West Sector	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,556,018	\$ -	\$ 594,476	\$ 1,380,696	\$ 3,531,190
Accounts receivable (net of allowance for uncollectibles)	165,763	804,572	-	50,607	1,020,942
Due from other funds	362,246	-	268,976	-	631,222
Cash-restricted	-	-	115,464	-	115,464
Total assets	\$ 2,084,027	\$ 804,572	\$ 978,916	\$ 1,431,303	\$ 5,298,818
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 97,567	\$ 531,118	\$ -	\$ 46,169	\$ 674,854
Accrued payroll liabilities	48,097	-	-	1,185	49,282
Deferred revenue	17,054	531,118	-	6,462	554,634
Due to other funds	268,976	207,600	90,418	64,228	631,222
Total liabilities	431,694	1,269,836	90,418	118,044	1,909,992
Fund balances:					
Reserved for:					
Debt service	-	-	-	408,026	408,026
Capital projects	-	(465,264)	888,498	359,212	782,446
Unreserved, undesignated, reported in:					
General fund	1,652,333	-	-	-	1,652,333
Special revenue funds	-	-	-	546,021	546,021
Total fund balance	1,652,333	(465,264)	888,498	1,313,259	3,388,826
Total liabilities and fund balances	\$ 2,084,027	\$ 804,572	\$ 978,916	\$ 1,431,303	

Long term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds. (2,291,868)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 13,192,795

A portion of accounts receivable are not available to pay for current period expenditures and, therefore, is deferred in the funds. 531,118

A portion of property taxes receivable is not available to pay current period expenditures and, therefore, is deferred in the funds. 23,516

\$ 14,844,387

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Loma Larga	Far North West Sector	Nonmajor Governmental Funds	Total
REVENUES					
Taxes:					
Gross receipts taxes	\$ 1,062,215	\$ -	\$ -	\$ -	\$ 1,062,215
Property taxes	634,350	-	-	412,175	1,046,525
Franchise taxes	250,013	-	-	-	250,013
State-shared taxes	964,181	-	-	-	964,181
Lodgers taxes	-	-	-	8,786	8,786
Other taxes	4,369	-	-	35,639	40,008
Licenses and permits	213,395	-	-	-	213,395
Intergovernmental	623,125	677,723	-	899,371	2,200,219
Charges for services	240,247	-	16,613	66,272	323,132
Interest on investments	90,617	-	26,090	649	117,356
Miscellaneous	33,514	-	-	52,662	86,176
Total revenues	<u>4,116,026</u>	<u>677,723</u>	<u>42,703</u>	<u>1,475,554</u>	<u>6,312,006</u>
EXPENDITURES					
Current operations:					
General government	1,267,977	-	-	4,196	1,272,173
Public safety	2,010,011	-	-	405,021	2,415,032
Public works	465,991	-	20,121	90,976	577,088
Culture and recreation	331,760	-	-	58,513	390,273
Debt service:					
Debt service principal	-	-	-	240,000	240,000
Debt service interest	-	-	34,543	48,368	82,911
Capital outlay	<u>77,766</u>	<u>1,123,444</u>	<u>89,493</u>	<u>527,704</u>	<u>1,818,407</u>
Total expenditures	<u>4,153,505</u>	<u>1,123,444</u>	<u>144,157</u>	<u>1,374,778</u>	<u>6,795,884</u>
Excess (deficiency) of revenues over expenditures	<u>(37,479)</u>	<u>(445,721)</u>	<u>(101,454)</u>	<u>100,776</u>	<u>(483,878)</u>
Other financing sources (uses):					
Transfers in	-	-	1,630	107,954	109,584
Transfers out	(108,970)	-	-	(614)	(109,584)
Total other financing sources (uses):	<u>(108,970)</u>	<u>-</u>	<u>1,630</u>	<u>107,340</u>	<u>-</u>
Net change in fund balances	<u>(146,449)</u>	<u>(445,721)</u>	<u>(99,824)</u>	<u>208,116</u>	<u>(483,878)</u>
Fund balances, beginning of year:					
As previously reported	1,673,975	999,359	(30,580)	1,229,950	3,872,704
Restatement	124,807	(1,018,902)	1,018,902	(124,807)	-
Adjusted Fund balances, beginning of year	<u>1,798,782</u>	<u>(19,543)</u>	<u>988,322</u>	<u>1,105,143</u>	<u>3,872,704</u>
Fund balances, end of year	<u>\$ 1,652,333</u>	<u>\$ (465,264)</u>	<u>\$ 888,498</u>	<u>\$ 1,313,259</u>	<u>\$ 3,388,826</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

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

Net change in fund balances - total governmental funds	\$ (483,878)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded the depreciation expense.	932,250
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, this transaction has no effect on net assets.	240,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,092)
A portion of grant receivable is not available to pay current period expenditures and, therefore, is deferred in the governmental funds	531,118
A portion of property tax receivable is not available to pay current period expenditures and, therefore, is deferred in the governmental funds	<u>(979)</u>
Change in net assets of governmental activities	<u>\$ 1,217,419</u>

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Taxes:				
Gross receipts taxes	\$ 1,081,650	\$ 1,081,650	\$ 1,062,215	\$ (19,435)
Property taxes	517,220	639,724	634,350	(5,374)
Franchise taxes	175,000	175,000	250,013	75,013
State-shared taxes	975,000	975,000	964,181	(10,819)
Other taxes	4,800	7,618	4,369	(3,249)
Licenses and permits	198,450	201,073	213,395	12,322
Intergovernmental	355,000	505,927	623,125	117,198
Charges for services	219,100	237,820	240,247	2,427
Fines and forfeits	8,000	8,235	-	(8,235)
Investments and interest	90,000	90,000	90,617	617
Miscellaneous	<u>285,068</u>	<u>211,704</u>	<u>33,514</u>	<u>(178,190)</u>
Total revenues	<u>3,909,288</u>	<u>4,133,751</u>	<u>4,116,026</u>	<u>(17,725)</u>
EXPENDITURES				
Current operations:				
General government	1,377,087	1,393,604	1,267,977	125,627
Public safety	2,015,207	1,922,654	2,010,011	(87,357)
Public works	519,654	473,572	465,991	7,581
Culture and recreation	342,527	324,354	331,760	(7,406)
Capital outlay	<u>67,500</u>	<u>106,607</u>	<u>77,766</u>	<u>28,841</u>
Total expenditures	<u>4,321,975</u>	<u>4,220,791</u>	<u>4,153,505</u>	<u>67,286</u>
Excess (deficiency) of revenues over expenditures	(412,687)	(87,040)	(37,479)	49,561
Other financing sources (uses):				
Transfers out	<u>(400,754)</u>	<u>(92,283)</u>	<u>(108,970)</u>	<u>(16,687)</u>
Net change in fund balances	<u>(813,441)</u>	<u>(179,323)</u>	<u>(146,449)</u>	<u>32,874</u>
Beginning cash balance	<u>1,728,072</u>	<u>1,728,072</u>		

The notes to the financial statements are an intergral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2008**

ASSETS

Cash	<u>\$ 3,586</u>
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LIABILITIES

Deposits payable	<u>\$ 3,586</u>
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**STATE OF NEW MEXICO
VILLAGE OF CORRALES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Corrales was incorporated under the provisions of the Municipal Code of the State of New Mexico (Sec. 14-2-1 et-Seq. 1971 Comp.) The Village operates under a mayor-council form of government. There are four council members plus the mayor, all of whom are elected at large.

A. Reporting Entity

This summary of significant accounting policies of the Village of Corrales is presented to assist in the understanding of Village of Corrales' financial statements. The financial statements and notes are the representation of Village of Corrales' management who is responsible for their integrity and objectivity. 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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP).

The basic (but not the only) criteria 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, or whether the activity is conducted within the geographic boundaries of the government and is generally available to 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.

1. **SUMMARY OF SIGNIFICANT 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) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 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 revenue are reported instead as *general revenue*.

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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Sales, franchise, lodgers, gas, cigarette and other similar taxes are recognized when the underlying exchange transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place. Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** (continued)

The Village reports the following major governmental funds:

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

The **Capital Project-Loma Larga Fund** to account for the funds used to construct Loma Larga, North/South Road in the Village. General Obligation Bonds were issued for part of the construction.

The **Capital Project- Far North West Sector Fund** to account for funds used to construct the Far North West Sector.

Additionally, the Village reports the following fund types:

The **Fiduciary Fund** accounts for resources held for others in a custodial capacity by the Village in an Agency Fund. The Village's Agency Fund holds bond monies on behalf of the Administrative Office of the Courts and the Judicial Education Center.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 revenue includes all taxes.

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 they are needed.

D. **Assets, Liabilities, and Net Assets or Equity**

Cash and Investments

Cash and investments include amounts in demand deposits, certificates of deposit and investments with a maturity date within 3 months of the date acquired by the Village.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and improvements, are reported in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$5,000 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructures, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are recorded at historical cost.

For depreciation purposes, the Village has identified the following classes of assets and estimated useful lives. Straight-line method is used for the depreciation.

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	40
Land Improvements	20
Infrastructure	20
Equipment and Machinery	3-20
Fire Protection Equipment	15
Furniture and Fixtures	15
Vehicles	5-10
Software	3
Library Books	5

Receivables

Accounts receivable at June 30, 2008 consist of receivables from grantors and various taxes and receivables.

Compensated Absences

Compensated absences are accrued in governmental funds. As of June 30, 2008 those liabilities were approximately \$60,542.

Employees may receive one day's pay for each three days of sick leave for accrued sick leave in excess of 240 hours. All other sick leave is to be forfeited upon termination of the employee. Upon termination, separation or dismissal, the employee shall be paid all accrued annual vacation leave at the pay rate last held.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with generally accepted accounting principles, an accrual for compensated absences is reflected in the accompanying general-purpose financial statements. Accumulation of vacation leave has been recorded as a liability in the basic financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Long-term Obligations

The long-term obligations are reported in the government-wide financial statements as long-term debt if it is due in over one year. In the fund level financial statement, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a governmental fund.

Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

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

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

2. **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, "long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds and loans payable - current	\$	100,000
Bonds and loans payable - long term		2,170,000
Less: Bond issue costs (amortized over the life of the debt)	(57,202)
Accrued interest payable		18,528
Compensated absences		<u>60,542</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$	<u>2,291,868</u>

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$ 1,818,407
Depreciation expense	<u>(886,157)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>932,250</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences - increase	\$ (288)
Amortization of Bond Issue Cost	(4,298)
Accrued interest - decrease	<u>3,494</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(1,092)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

1. Prior to June 1, the Village Governing Body adopts a proposed operating budget for the fiscal year commencing July 1. The operating budgets include proposed expenditures and the means of financing them based on previous years history. The budget is legally enacted through passage of an ordinance.
2. The Village Finance Officer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico Department of Finance, Division of Local Governments. The original budget that was adopted in July 2007 was amended during the fiscal year in a legally permissible manner.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classifications detail in which expenditures or expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.
6. Budgets for the General, Special Revenue and Capital Project Funds are adopted on a basis not consistent with generally accepted accounting principles. Throughout the year the accounting records are maintained on the non-GAAP basis of cash receipts and disbursements. Accordingly, certain revenues and the related assets are recognized when paid rather than when the obligation is incurred. The financial statements are presented on the modified accrual basis of accounting. Budgetary comparisons presented for General, Special Revenue and Capital Projects Funds in this report are on the non-GAAP budgetary basis and actual (cash basis).

4. DETAILED NOTES ON ALL FUNDS

Deposits

The Village invests its funds in accordance with state statutes which require that financial institutions pledge collateral consisting of approved federal or state securities whose market value is equal to at least 50% of the deposits in excess of FDIC insurance coverage. In accordance with state statutes, the Village may have deposits only in financial institutions, federal direct obligations, or the New Mexico State Treasurer's Local Government Pooled Investment Plan. As of June 30, 2008 the Village had \$2,197,147 in financial institutions and \$1,451,968 invested in the New Mexico State Treasurer's Local Government Pooled Investment.

Cash and Cash Equivalents

	Balance Per Bank 6-30-08	Add Deposits In Transit	Less Outstanding Checks	Balance Per Books 6-30-08
Wells Fargo Bank				
Checking Accounts				
General	\$ 1,169,405	\$ 116	\$ 46,083	\$ 1,123,438
Farmland	350,821		\$ 10,000	340,821
Impact fee	28,720			28,720
Bosque	1,150		-	1,150
Court Bond Account	3,586	-	-	3,586
Certificate of Deposit	32,308	-	-	32,308
Bank of Albuquerque				
Savings	1,578	-	-	1,578
Total Cash in Banks	\$ 1,587,568	\$ 116	\$ 56,083	1,531,601
Plus:				
Cash on Hand				1,125
Funds Held by the New Mexico Finance Authority:				
Loan funds				565,756
Loan reserve accounts				99,790
State Treasurer's Office - Debt service account				15,674
State Treasurer's Office - Investment pool				1,436,294
Total Cash Per Books				\$ 3,650,240
As Reported in Financial Statements:				
Cash				\$ 3,531,190
Restricted cash				115,464
Agency Fund				3,586
				\$ 3,650,240

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Deposits and Investments (continued)

Pledged Collateral at Banks

	Wells Fargo Bank	Bank of Albuquerque	Total
Deposits	1,585,990	1,578	1,587,568
FDIC	<u>132,308</u>	<u>1,578</u>	<u>133,886</u>
Total uninsured public funds	1,453,682	-	1,453,682
Collateral pledged:			
Wells Fargo Bank - California			
FNCL, 06/01/36			
CUSIP, 31410MRW2	236,748	-	236,748
FGIC, 06/01/37			-
CUSIP, 3128MS7G9	186,027	-	186,027
Wells Fargo Bank - Sioux Falls, SD			
FNCL, 11/01/2037			
CUSIP, 31413Y2V2	<u>1,077,468</u>	<u>-</u>	<u>1,077,468</u>
	<u>1,500,243</u>	<u>-</u>	<u>1,500,243</u>
Uninsured and uncollateralized	<u>-</u>	<u>-</u>	<u>\$ -</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2008 \$1,453,682 of the Village's bank balance of \$1,587,568 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>Wells Fargo Bank</u> \$ -
Uninsured and collateral held by pledging bank's trust department in the Bank's name	<u>1,453,682</u>
Total	<u>\$ 1,453,682</u>

4. DETAILED NOTES ON ALL FUNDS (Continued)

Additionally, three debt service accounts are managed by the New Mexico Finance Authority (NMFA), on deposit with the Bank of Albuquerque and the State Treasurer's office, in NMFA's name for the benefit of the Village. These accounts are exposed to custodial credit risk in the amount of \$681,224.

Reserve Funds Payable-Bank of Albuquerque	\$ 99,790
Program Funds-Bank of Albuquerque	565,756
Debt Services-State Treasurer	15,674
Total	<u>\$ 681,220</u>

Investments

The Village invests excess cash in the State Treasurer Local Government Investment Pool. The Pool's investments are valued at fair value based on quoted market prices as of the valuation date. The New Mexico State Treasurer Investment Pool is not SEC registered. Section 6-10-10.I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued or backed by the United States Government or by its departments or agencies and are either direct obligations of the United States Government or agencies sponsored by the United States Government. The Local Government Investment Pool investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the fund is voluntary. The Pool is AAA rated with a 46-day weighted average maturity.

Receivables

Receivables as of June 30, 2008 for the Village's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Loma Larga	Non-major Governmental Fund	Total
Receivables:				
Accounts	\$ 50,234	\$ -	\$ -	\$ 50,234
Grants	33,952	804,572	19,039	857,563
Fines and fees	65,068	-	-	65,068
Property taxes	<u>59,347</u>	<u>-</u>	<u>31,568</u>	<u>90,915</u>
Gross receivables	208,601	804,572	50,607	1,063,780
Less allowance for uncollectibles	<u>42,838</u>	<u>-</u>	<u>-</u>	<u>42,838</u>
Total	<u>\$ 165,763</u>	<u>\$ 804,572</u>	<u>\$ 50,607</u>	<u>\$ 1,020,942</u>

The receivables of the General, Special Revenue, Debt Service, and Capital Projects Funds are composed primarily of earned taxes and federal and state revenues or reimbursements. These receivables are primarily from governmental agencies and an allowance for doubtful accounts is maintained for those receivables deemed to be uncollectible.

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 3,892,074	\$ -	\$ -	\$ -	\$ 3,892,074
Water rights	230,621	-	-	-	230,621
Construction in progress	-	81,878	-	-	81,878
Total capital assets not being depreciated	<u>4,122,695</u>	<u>81,878</u>	<u>-</u>	<u>-</u>	<u>4,204,573</u>
Capital assets, being depreciated:					
Buildings and structures	4,440,852	150,434	-	-	4,591,286
Equipment and machinery	1,234,453	10,226	-	-	1,244,679
Furniture and fixture	556,328	24,500	-	-	580,828
Library books	23,424	20,398	-	-	43,822
Vehicles	1,277,684	85,679	-	-	1,363,363
Infrastructure	7,402,233	1,445,292	-	-	8,847,525
Total capital assets being depreciated	<u>14,934,974</u>	<u>1,736,529</u>	<u>-</u>	<u>-</u>	<u>16,671,503</u>
Total capital assets	<u>19,057,669</u>	<u>1,818,407</u>	<u>-</u>	<u>-</u>	<u>20,876,076</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,233,942)	(124,692)	-	-	(1,358,634)
Equipment and machinery	(815,553)	(117,564)	-	-	(933,117)
Furniture and fixture	(322,437)	(64,442)	-	-	(386,879)
Library books	(6,509)	(8,764)	-	-	(15,273)
Vehicles	(1,053,829)	(73,295)	-	-	(1,127,124)
Infrastructure	(3,364,854)	(497,400)	-	-	(3,862,254)
Total accumulated depreciation	<u>(6,797,124)</u>	<u>(886,157)</u>	<u>-</u>	<u>-</u>	<u>(7,683,281)</u>
Total capital assets being depreciated	<u>8,137,850</u>	<u>850,372</u>	<u>-</u>	<u>-</u>	<u>8,988,222</u>
Governmental activities capital assets, net	<u>\$ 12,260,545</u>	<u>\$ 932,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,192,795</u>

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

Governmental Activities:	
General government	\$ 498,435
Public safety	167,753
Public works	124,329
Culture and recreation	95,640
Total Depreciation Expense - Governmental Activities	<u>\$ 886,157</u>

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Interfund Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Inter-fund receivables and payables at June 30, 2008 were as follows:

<u>Fund Description</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$ 362,246	\$ 268,976
Loma Larga	-	207,600
Far North West Sector	268,976	90,418
Non-Major Governmental Funds:		
EMS	-	40
Record Center	-	1,592
Road-Coop	-	2,397
Sewer Fund	-	29,077
HWY 528 Access A	-	3,343
Public Safety Communication	-	6,884
Skate Park	-	20,895
	<u>\$ 631,222</u>	<u>\$ 631,222</u>

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions. All transfers made during the year were considered routine and were consistent with the general characteristics of the Village's transfers.

The following schedule details the net inter-fund transfers made by the Village during the year ended June 30, 2008:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General	Far North West Sector	\$ 1,630
General	Non-major Governmental	107,954
		<u>\$ 109,584</u>

Short-term Debt

The Village had no short-term debt activity during the year.

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Long-term Debt

On June 1, 2007 the Village borrowed \$1,035,000 from New Mexico Finance Authority for equipment and road improvements. The loan bears interest at 3.9060% and is payable in installment payments through May 2027.

Accrued compensated absences are generally liquidated by the General Fund. Notes payable, have been liquidated within the fund in which their corresponding payments have been expensed. The bonds are liquidated within the debt service fund.

The general obligation bonds were issued on August 31, 2004. The interest rates range from 2.710% to 4.170%. Portions of the bonds will mature on August 1 of each year commencing on August 1, 2006, and ending no later than August 1, 2018 in amounts to be determined by the Village. The semi-annual payments vary from \$31,440 to \$266,427 and are due on the 1st of August and February of each year.

Annual debt service requirements for bonds and notes are as follows:

Year Ending June 30,	General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 100,000	\$ 42,842	\$ -	\$ 37,683
2010	100,000	39,592	-	37,683
2011	100,000	36,218	-	37,683
2012	100,000	32,718	1,126	37,683
2013	105,000	29,130	11,187	37,644
2014-2018	600,000	75,741	239,679	173,591
2019-2023	130,000	10,108	359,928	119,100
2024-2027	-	-	423,080	41,679
	<u>\$ 1,235,000</u>	<u>\$ 266,349</u>	<u>\$ 1,035,000</u>	<u>\$ 522,746</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,475,000	\$ -	\$ 240,000	\$ 1,235,000	\$ 100,000
Notes payable	1,035,000	-	-	1,035,000	-
Compensated absences	60,254	88,310	88,022	60,542	-
	<u>\$ 2,570,254</u>	<u>\$ 88,310</u>	<u>\$ 328,022</u>	<u>\$ 2,330,542</u>	<u>\$ 100,000</u>

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Reserved Fund Balance / Restricted Net Assets

Reserved for Capital Projects –Far North West Sector Fund, Farmland Preservation Fund, Loma Larga Fund, Record Center Fund, and Skate Park Fund – The amounts are to be used for capital project expenditures as restricted by the grant agreements. The restricted amounts of \$888,498, \$382,434 and deficits of \$465,264, \$1,592, and \$21,630 are shown as reserved in the government-wide statements in the amount of \$782,446.

Reserved for Debt Service – All Debt Service Funds– The reserve of \$408,026 is to be used for future debt service payments and is restricted by the debt agreement. This amount is restricted in the government-wide statements.

Deficit Fund Balance

The following funds had deficit fund balances at June 30, 2008.

Capital Projects Funds		
Loma Larga	\$	465,264
Skate Park		21,630
Record Center		1,592
Special Revenue Funds		
EMS		40
Sewer Project		29,077
Fire Substation		5,502
Public Safety Communication		6,884

Deficit fund balances will be eliminated by monitoring budgets and spending in the future.

Deferred Compensation Plan

The Village started a 401(K) plan on July 1, 2005. The Village contributes 3% of the participant compensation. The employees can contribute up to 3% of their compensation to the 401(K) plan. Employee contributions exceeding 3% of compensation go to the 457 plan. The 457 deferred compensation plan was established on July 1, 1993. The 401(K) contribution requirement for the year ended June 30, 2008 was \$166,886, which consisted of \$83,443 for the Village and \$83,443 from employees. The 457 plan contribution from employees was \$36,955 for the year ended June 30, 2008.

The plan assets for the 457 plan and 401(K) plan are held at ICMA-RC Services, LLC.

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Risk Management

The Village of Corrales is insured through the New Mexico Self Insurer's Fund. Coverage provided included all-peril on buildings and contents; crime coverage; general liability; civil rights and personal injury; motor vehicle and fleet property damage and liability; and statutory workmen compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to \$50,000 each occurrence. The claims have not exceeded the coverage of each of the past three years.

Restatement

The fund titles for Road Construction Fund, Impact Fee Fund, and Administration Building Fund have been changed to Loma Larga Fund, Far North West Sector Fund, and Record Center Fund, respectively to better describe the nature of those funds.

In the previous year, the Recreation Fund, Senior Citizen Fund, and Recycling Fund had been budgeted separately from the General Fund. This year with the approval of the Department of Finance and Administration they were combined and reported as part of the General Fund. The result for each fund was as follows and transferred to the General Fund:

Recreation Fund: Fund balance of \$427 and cash of \$427.

Senior Citizen Fund: Deficit fund balance of \$1,765 and \$1,765 Due to Other Funds.

Recycling Fund: Fund balance of \$9,314 and cash of \$9,314.

General Fund: Fund balance increased by \$7,976, cash increased by \$9,741 and Due to Other Funds increased by \$1,765.

The activities in the following funds were completed in prior years, however, remaining balances in these funds were not closed at that time. A restatement in the current year to close these funds and transfer remaining balances to the General Fund as follows:

Scenic and Historic Fund: Deficit fund balance of \$10,735 and Due to Other Funds of \$10,735

Fire Protection Fund: Fund balance of \$11 and cash of \$11.

Well & Tank-Fire Fund: Deficit fund balance of \$684 and Due to Other Funds of \$684

Chamber's Renovations Fund: Deficit fund balance of \$188,183 and Due to Other Funds of \$188,183.

General Fund: Fund balance decreased by \$199,591, cash increased by \$11 and Due to Other Funds increased by \$199,602.

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

In prior years, excess construction costs for the following funds were paid for and recorded in the General Fund. These expenditures have been reclassified.

Fire Sub-station Fund: Fund balance was decreased by \$44,110 and cash was decreased by \$44,110.

Farmland Preservation Fund: Fund balance was decreased by \$325,000, cash was decreased by \$36,817 and Due From Other Funds was decreased by \$288,183.

Skate Park Fund: Fund balance was increased by \$52,688 and cash was increased by \$52,688.

General Fund: Fund balance increased by \$316,422, cash increased by \$28,239 and Due From Other Funds increased by \$288,183.

The following restatement has been recorded to transfer debt from the Loma Larga Fund to the Far Northwest Sector Fund.

Loma Larga Fund: Fund balance of \$1,018,902 and cash of \$1,018,902 were transferred.

Far Northwest Sector Fund: Fund balance increased by \$1,018,902 and cash increased by \$1,018,902.

Joint Powers Agreements

A Joint Powers Agreement was entered into by and between the City of Rio Rancho, the County of Sandoval, the Town of Bernalillo, the Pueblo of Santa Ana and the Village of Corrales, as of July 1, 2003, to establish and provide a centralized enhanced 911 communication system and thereby improve public emergency medical service, fire, rescue and law enforcement services to their citizens. The term of the Agreement is indefinite unless terminated by any party upon delivery of a written notice. The City of Rio Rancho acts as the fiscal agent and is responsible for operations and the audit of its records. The Village shall pay a pro rata share of the approved total annual budget. The Villages pro rata share is 4.8946%. The Village is responsible for the maintenance of their own 911 equipment. The Village of Corrales contributed \$133,672 for the current year. Revenues and expenditures are reported to DFA.

A Joint Powers Agreement among the Village, Sandoval County, and the EMNRD for wildland fire Protection and Suppression was entered on April 2, 2004. The agreement commits the three entities to wildland fire suppression and management assistance and cooperation. The Village is responsible for operations and the audit of its records. EMNRD reimburses the Village at cost. The Village contributed \$15,387 during the current year. Revenues and expenditures are reported to DFA.

4. **DETAILED NOTES ON ALL FUNDS** (Continued)

Expenditures in Excess of Budget

Actual expenditures exceeded budgeted expenditures at the total fund level for the following funds:

PW-FEMA Flood	(4,020)
Law Enforcement Protection	(925)
Traffic Safety Fund	(258)
Safe Routes to School	(1,844)
Bosque Fund	(297)
Farmland Preservation	(21,758)
Road-Coop	(168,170)
Public Safety Communication Equipment	(6,884)
Skate Park	(15,925)
General Obligation	(22,375)
NMFA 1996B	(4,055)

SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

Local Government Corrections Fund - The Local Governmental Corrections Special Revenue Fund, authorized by State Statute Chapter 35, Section 14-11, is used to account for the proceeds collected from a correction fee of \$10, charged to persons violating an ordinance relating to the operation of a motor vehicle. Expenditures are restricted to constructing, operating and maintaining a municipal jail or restricted for paying the costs of housing municipal prisoners in a county jail.

Emergency Medical Service (EMS) Fund - The EMS Special Revenue Fund, authorized by State Statute Chapter 178, Laws of 1978, is used to account for all rescue operations within the fire department. Financing is provided by a state grant and subsidized by the General Fund.

Fire Protection Fund - The Fire Special Revenue Fund, authorized by the State Statute Chapter 48, Section 2, Laws of 1963, is used to account for the operations of the Fire Department. Financing is provided by the State Fire Allotment, emergency medical services, interest on investments and miscellaneous revenues.

PW-FEMA Flood - The PW-FEMA Flood Fund is used to account for FEMA grant money used to repair roads due to flood damage.

Law Enforcement Protection Fund - The Law Enforcement Protection Special Revenue Fund, authorized by State Statute Chapter 289, Laws of 1983, is used to account for the purchase of vehicles, radios, and equipment for the police department. Financing is provided by a grant from the State of New Mexico.

Traffic Safety Fund - The Traffic Safety Special Revenue Fund is used to account for the traffic safety fee collected under the New Mexico Uniform Traffic Ordinance, Section 12. The fees are expended for traffic safety related equipment.

Library Grant Fund - The Library Special Revenue Fund, authorized by State Statute Chapter 3, Section 1914, is used to account for money received from private and corporate foundations, individuals and other governments in an effort to implement beneficial cooperative projects for Bernalillo, Rio Rancho, and Corrales Libraries.

Lodgers Tax Fund - To account for revenues and expenditures per the Lodger's Tax Ordinance 500 of the Village. Funds are restricted to the economic development of the Village.

Economic Development – Special fund that the Governing Body approved for the fiscal year 2008 for the Wine & Quilt Festival and Corrales Mainstreet.

Municipal Streets Fund –The Municipal Streets Fund is a special revenue fund used to account for 1 cent gasoline tax which is used for repairing and construction of roads. Also included in this fund is revenue from the State Department of Transportation under a municipal arterial project agreement. Authority 7-1-6.9 ANSD 7-1-6.27 NMSA 1978.

Safe Routes to School – State grant to create a master plan for safe routes to school for school kids.

Landmark Trees – The Landmark Trees Fund is for providing for the designation and protection of landmark trees in the Village of Corrales. Authority is from Village Ordinance No. 06-01.

Police Special Fund - The Police Special Revenue Fund is used to account for a grant from neighborhood watch and drug asset forfeitures. Authority is motion by Village Council.

Bosque Fund - The Bosque Special Revenue Fund is used to account for contributions by the Nature Conservancy, a non-profit entity that requested accounting for donations.

Casa San Ysidro Fund - Casa San Ysidro Special Revenue Fund is used to account for a joint project with the City of Albuquerque to operate a historical site called Casa San Ysidro.

Sewer Project Fund - The Sewer Capital Project Fund is used to account for a grant to explore the possible acquisition and construction of a sewer system in the Village.

Public Safety Comm Equip Fund - Legislative funding to purchase various equipment related to public safety.

CAPITAL PROJECT FUNDS

Farmland Preservation – The Farmland Preservation is used to account for the money donated to buy lands based on board resolution.

Records Center – Legislature appropriation to be used to restructure a room in the public works building to store the Village's records.

Road Co-op – State funding to do Co-op projects. Village will pay 25% and the state pays 75%. Governing Body approves road projects to be completed for the fiscal year. Gasoline tax is reported in this fund to supplement the road projects.

Angel Hill – Legislature appropriation to be used for fire suppression, infrastructure, equipment and wells and tank.

HWY 528 Access A-Legislature appropriation to be used to create a lighted access road from the Village of Corrales to Rio Rancho at intersection of Northern Blvd and Highway 528

Skate Park Fund - The Skate Park Fund is used to plan, design and construct a skate park in the Village. Authority is from the Laws of 2005, Chapter 45/271.

DEBT SERVICE FUNDS

Series 2005 General Obligation Bonds - are issued for the purpose of acquiring conservation easements or other property rights or interests for preservation of farmland, open space, wildlife habitat and recreational opportunities in the Village. This fund is a debt service fund.

NMFA 1996B – To account for the accumulation of monies and payment of interest and principal for the Fire Tanker loan.

NMFA 41st Supplemental Fire Program - To account for the accumulation of monies and payment of interest and principals for the Fire Department Brush Truck.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue			
	Correction	Fire EMS	Fire Fund	PW - FEMA Flood
ASSETS				
Cash	\$ 197,714	\$ 2,348	\$ 37,902	\$ -
Accounts receivable	-	-	8,154	-
Total assets	\$ 197,714	\$ 2,348	\$ 46,056	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,843	\$ 2,348	\$ 35,026	\$ -
Accrued payroll liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	40	-	-
Total liabilities	1,843	2,388	35,026	-
Fund Balances:				
Reserved for capital projects	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved and undesignated	195,871	(40)	11,030	-
Total fund balances	195,871	(40)	11,030	-
Total liabilities and fund balances	\$ 197,714	\$ 2,348	\$ 46,056	\$ -

The notes to the financial statements are an integral part of this statement.

Special Revenue

Law Enforcement Protection	Traffic Safety	Library	Lodgers Tax	Economic Development	Municipal Streets
\$ 22	\$ 4,308	\$ 268,824	\$ 7,948	\$ -	\$ -
-	3,480	-	-	-	-
<u>\$ 22</u>	<u>\$ 7,788</u>	<u>\$ 268,824</u>	<u>\$ 7,948</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 368	\$ -	\$ -	\$ -
-	259	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>259</u>	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>22</u>	<u>7,529</u>	<u>268,456</u>	<u>7,948</u>	<u>-</u>	<u>-</u>
<u>22</u>	<u>7,529</u>	<u>268,456</u>	<u>7,948</u>	<u>-</u>	<u>-</u>
<u>\$ 22</u>	<u>\$ 7,788</u>	<u>\$ 268,824</u>	<u>\$ 7,948</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue			
	Landmark Trees	Safe Routes To School	Police Special	Bosque
ASSETS				
Cash	\$ -	\$ -	\$ 95,126	\$ 1,150
Accounts receivable	-	-	1,665	-
Total assets	\$ -	\$ -	\$ 96,791	\$ 1,150
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 347	\$ -
Accrued payroll liabilities	-	-	926	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	1,273	-
Fund Balances:				
Reserved for capital projects	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved and undesignated	-	-	95,518	1,150
Total fund balances	-	-	95,518	1,150
Total liabilities and fund balances	\$ -	\$ -	\$ 96,791	\$ 1,150

The notes to the financial statements are an integral part of this statement.

Special Revenue

<u>Casa San Ysidro</u>	<u>Sewer Project</u>	<u>Fire Sub-Station</u>	<u>Public Safety Communication Equipment</u>	<u>Scenic and Historic</u>	<u>Fire Protection</u>	<u>Well & Tank- Fire</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 5,502	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	29,077	-	6,884	-	-	-
-	29,077	5,502	6,884	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(29,077)	(5,502)	(6,884)	-	-	-
-	(29,077)	(5,502)	(6,884)	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING BALANCE SHEET
NONMAJORGVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue				
	Recreation	Senior Citizen	Recycling	Chamber's Renovation	Total
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 615,342
Accounts receivable	-	-	-	-	13,299
Total assets	-	-	-	-	\$ 628,641
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 45,434
Accrued payroll liabilities	-	-	-	-	1,185
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	36,001
Total liabilities	-	-	-	-	82,620
Fund Balances:					
Reserved for capital projects	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved and undesignated	-	-	-	-	546,021
Total fund balances	-	-	-	-	546,021
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 628,641

The notes to the financial statements are an integral part of this statement.

Capital Project

<u>Farmland Preservation</u>	<u>Records Center</u>	<u>Road Co-op</u>	<u>Angel Hill</u>	<u>HWY 528 Access A</u>	<u>Skate Park</u>	<u>Total</u>
\$ 382,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,434
-	-	2,397	-	3,343	-	5,740
<u>\$ 382,434</u>	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 3,343</u>	<u>\$ -</u>	<u>\$ 388,174</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735	\$ 735
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,592	2,397	-	3,343	20,895	28,227
-	1,592	2,397	-	3,343	21,630	28,962
382,434	(1,592)	-	-	-	(21,630)	359,212
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>382,434</u>	<u>(1,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,630)</u>	<u>359,212</u>
<u>\$ 382,434</u>	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>	<u>\$ 3,343</u>	<u>\$ -</u>	<u>\$ 388,174</u>

(Continued)

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE30, 2007**

	Debt Sevice				
	Debt Service	NMFA	NMFA 41St Supp Fire	Total	Nonmajor Governmental Funds
	<u>Go Bond</u>	<u>1996B</u>	<u>Prog</u>		
ASSETS					
Cash	\$ 381,342	\$ -	\$ 1,578	\$ 382,920	\$ 1,380,696
Accounts receivable	31,568	-	-	31,568	50,607
Total assets	<u>\$ 412,910</u>	<u>\$ -</u>	<u>\$ 1,578</u>	<u>\$ 414,488</u>	<u>\$ 1,431,303</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	-	\$ -	\$ -	\$ 46,169
Accrued payroll liabilities	-	-	-	-	1,185
Deferred revenue	6,462	-	-	6,462	6,462
Due to other funds	-	-	-	-	64,228
Total liabilities	<u>6,462</u>	<u>-</u>	<u>-</u>	<u>6,462</u>	<u>118,044</u>
Fund Balances:					
Reserved for capital projects	-	-	-	-	359,212
Reserved for debt service	406,448	-	1,578	408,026	408,026
Unreserved and undesignated	-	-	-	-	546,021
Total fund balances	<u>406,448</u>	<u>-</u>	<u>1,578</u>	<u>408,026</u>	<u>1,313,259</u>
Total liabilities and fund balances	<u>\$ 412,910</u>	<u>\$ -</u>	<u>\$ 1,578</u>	<u>\$ 414,488</u>	<u>\$ 1,431,303</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue</u>			
	<u>Corrections</u>	<u>Fire EMS</u>	<u>Fire Fund</u>	<u>PW - FEMA Flood</u>
REVENUES				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Lodgers taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	11,678	138,035	-
Charges for services	65,937	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	507	-
Total revenues	<u>65,937</u>	<u>11,678</u>	<u>138,542</u>	<u>-</u>
EXPENDITURES				
Current operations:				
General government	-	-	-	-
Public safety	36,390	10,934	92,159	-
Public works	-	-	-	71
Culture and recreation	-	-	-	-
Debt service:				
Debt service principal	-	-	-	-
Debt service interest	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>20,817</u>	<u>15,700</u>
Total expenditures	<u>36,390</u>	<u>10,934</u>	<u>112,976</u>	<u>15,771</u>
Excess (deficiency) of revenues over expenditures	<u>29,547</u>	<u>744</u>	<u>25,566</u>	<u>(15,771)</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 balances	<u>29,547</u>	<u>744</u>	<u>25,566</u>	<u>(15,771)</u>
Fund balances, beginning of year:				
As previously reported	166,324	(784)	(14,536)	15,771
Restatement	-	-	-	-
Adjusted fund balances, beginning of year	<u>166,324</u>	<u>(784)</u>	<u>(14,536)</u>	<u>15,771</u>
Fund balances, end of year	<u>\$ 195,871</u>	<u>\$ (40)</u>	<u>\$ 11,030</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue

<u>Law Enforcement Protection</u>	<u>Traffic Safety</u>	<u>Library</u>	<u>Lodgers Tax</u>	<u>Economic Development</u>	<u>Municipal Street</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	8,786	-	-
-	-	-	-	-	-
32,600	15,532	245,710	-	-	-
-	335	-	-	-	-
-	-	-	-	-	-
-	-	2,318	-	-	-
<u>32,600</u>	<u>15,867</u>	<u>248,028</u>	<u>8,786</u>	-	-
-	-	-	-	-	-
1,790	21,140	-	-	-	-
-	-	-	-	65,062	2,526
-	-	15,270	9,005	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,600	-	34,841	-	-	-
<u>34,390</u>	<u>21,140</u>	<u>50,111</u>	<u>9,005</u>	<u>65,062</u>	<u>2,526</u>
<u>(1,790)</u>	<u>(5,273)</u>	<u>197,917</u>	<u>(219)</u>	<u>(65,062)</u>	<u>(2,526)</u>
-	-	-	-	65,062	-
-	-	-	-	-	-
-	-	-	-	65,062	-
<u>(1,790)</u>	<u>(5,273)</u>	<u>197,917</u>	<u>(219)</u>	-	<u>(2,526)</u>
1,812	12,802	70,539	8,167	-	2,526
-	-	-	-	-	-
<u>1,812</u>	<u>12,802</u>	<u>70,539</u>	<u>8,167</u>	-	<u>2,526</u>
<u>\$ 22</u>	<u>\$ 7,529</u>	<u>\$ 268,456</u>	<u>\$ 7,948</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue			
	Landmark Trees	Safe Routes To School	Police Special	Bosque
REVENUES				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Lodgers taxes	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental	-	3,851	126,107	-
Charges for services	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	5,302	9
Total revenues	<u>-</u>	<u>3,851</u>	<u>131,409</u>	<u>9</u>
EXPENDITURES				
Current operations:				
General government	-	-	-	-
Public safety	-	3,851	105,582	-
Public works	-	-	-	732
Culture and recreation	-	-	-	-
Debt service:				
Debt service principal	-	-	-	-
Debt service interest	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>22,489</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>3,851</u>	<u>128,071</u>	<u>732</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,338</u>	<u>(723)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(614)	-	-	-
Total other financing sources (uses):	<u>(614)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(614)</u>	<u>-</u>	<u>3,338</u>	<u>(723)</u>
Fund balances, beginning of year:				
As previously reported	614	-	92,180	1,873
Restatement	-	-	-	-
Adjusted fund balances, beginning of year	<u>614</u>	<u>-</u>	<u>92,180</u>	<u>1,873</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,518</u>	<u>\$ 1,150</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue

<u>Casa San Ysidro</u>	<u>Sewer Project</u>	<u>Fire Sub-Station</u>	<u>Public Safety Communication Equipment</u>	<u>Scenic and Historic</u>	<u>Fire Protection</u>	<u>Well & Tank-Fire</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	16,493	100,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>16,493</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	2,331	106,884	-	-	-
-	-	-	-	-	-	-
30,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	52,811	-	-	-	-
<u>30,000</u>	<u>-</u>	<u>55,142</u>	<u>106,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
(30,000)	-	(38,649)	(6,884)	-	-	-
30,000	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(38,649)	(6,884)	-	-	-
-	(29,077)	77,257	-	(10,735)	11	(684)
-	-	(44,110)	-	10,735	(11)	684
-	(29,077)	33,147	-	-	-	-
<u>\$ -</u>	<u>\$ (29,077)</u>	<u>\$ (5,502)</u>	<u>\$ (6,884)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue				Total
	Recreation	Senior Citizen	Recycling	Chamber's Renovation	
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Lodgers taxes	-	-	-	-	8,786
Other taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	690,006
Charges for services	-	-	-	-	66,272
Interest Income	-	-	-	-	-
Miscellaneous	-	-	-	-	8,136
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>773,200</u>
EXPENDITURES					
Current operations:					
General government	-	-	-	-	-
Public safety	-	-	-	-	381,061
Public works	-	-	-	-	68,391
Culture and recreation	-	-	-	-	54,275
Debt service:					
Debt service principal	-	-	-	-	-
Debt service interest	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,258</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,985</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,215</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	95,062
Transfers out	-	-	-	-	(614)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,448</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,663</u>
Fund balances, beginning of year:					
As previously reported	427	(1,765)	9,314	(188,183)	213,853
Restatement	(427)	1,765	(9,314)	188,183	147,505
Adjusted fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,358</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,021</u>

The notes to the financial statements are an integral part of this statement.

Capital Project

Farmland Preservation	Records Center	Road Co-op	Angel Hill	HWY 528 Access A	Skate Park	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	35,639	-	-	-	35,639
-	-	126,000	23,960	19,405	40,000	209,365
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	44,526	44,526
-	-	<u>161,639</u>	<u>23,960</u>	<u>19,405</u>	<u>84,526</u>	<u>289,530</u>
-	-	-	-	-	-	-
-	-	-	23,960	-	-	23,960
22,585	-	-	-	-	-	22,585
-	-	-	-	-	4,238	4,238
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>174,531</u>	<u>-</u>	<u>19,405</u>	<u>154,510</u>	<u>348,446</u>
<u>22,585</u>	<u>-</u>	<u>174,531</u>	<u>23,960</u>	<u>19,405</u>	<u>158,748</u>	<u>399,229</u>
<u>(22,585)</u>	<u>-</u>	<u>(12,892)</u>	<u>-</u>	<u>-</u>	<u>(74,222)</u>	<u>(109,699)</u>
-	-	12,892	-	-	-	12,892
-	-	-	-	-	-	-
-	-	<u>12,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,892</u>
<u>(22,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,222)</u>	<u>(96,807)</u>
730,019	(1,592)	-	-	-	(96)	728,331
<u>(325,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,688</u>	<u>(272,312)</u>
<u>405,019</u>	<u>(1,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,592</u>	<u>456,019</u>
<u>\$ 382,434</u>	<u>\$ (1,592)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,630)</u>	<u>\$ 359,212</u>

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Debt Service</u>				Nonmajor Governmental Funds
	General Obligations	NMFA 1996B	NMFA 41st Supp Fire Prog	Total	
REVENUES					
Taxes:					
Property taxes	\$ 412,175	\$ -	\$ -	\$ 412,175	\$ 412,175
Lodgers taxes	-	-	-	-	8,786
Other taxes	-	-	-	-	35,639
Intergovernmental	-	-	-	-	899,371
Charges for services	-	-	-	-	66,272
Interest Income	-	-	649	649	649
Miscellaneous	-	-	-	-	52,662
Total revenues	<u>412,175</u>	<u>-</u>	<u>649</u>	<u>412,824</u>	<u>1,475,554</u>
EXPENDITURES					
Current operations:					
General government	141	4,055	-	4,196	4,196
Public safety	-	-	-	-	405,021
Public works	-	-	-	-	90,976
Culture and recreation	-	-	-	-	58,513
Debt service:					
Debt service principal	240,000	-	-	240,000	240,000
Debt service interest	48,368	-	-	48,368	48,368
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>527,704</u>
Total expenditures	<u>288,509</u>	<u>4,055</u>	<u>-</u>	<u>292,564</u>	<u>1,374,778</u>
Excess (deficiency) of revenues over expenditures	<u>123,666</u>	<u>(4,055)</u>	<u>649</u>	<u>120,260</u>	<u>100,776</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	107,954
Transfers out	-	-	-	-	(614)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,340</u>
Net change in fund balances	<u>123,666</u>	<u>(4,055)</u>	<u>649</u>	<u>120,260</u>	<u>208,116</u>
Fund balances, beginning of year:					
As previously reported	282,782	4,055	929	287,766	1,229,950
Restatement	-	-	-	-	(124,807)
Adjusted fund balances, beginning of year	<u>282,782</u>	<u>4,055</u>	<u>929</u>	<u>287,766</u>	<u>1,105,143</u>
Fund balances, end of year	<u>\$ 406,448</u>	<u>\$ -</u>	<u>\$ 1,578</u>	<u>\$ 408,026</u>	<u>\$ 1,313,259</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
CORRECTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 74,200	\$ 65,937	\$ 65,937	-
Total revenues	<u>74,200</u>	<u>65,937</u>	<u>65,937</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Public safety	74,200	36,390	36,390	-
Total expenditures	<u>74,200</u>	<u>36,390</u>	<u>36,390</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>29,547</u>	<u>29,547</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 29,547</u>	<u>\$ 29,547</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ 166,324</u>	<u>\$ 166,324</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
FIRE EMS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 11,678	\$ 11,678	\$ 11,678	\$ -
Total revenues	<u>11,678</u>	<u>11,678</u>	<u>11,678</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Public safety	11,678	10,934	10,934	-
Total expenditures	<u>11,678</u>	<u>10,934</u>	<u>10,934</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>744</u>	<u>744</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 744</u>	<u>\$ 744</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 123,990	\$ 123,990	\$ 138,035	\$ 14,045
Miscellaneous	-	14,552	507	(14,045)
Total revenues	<u>123,990</u>	<u>138,542</u>	<u>138,542</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Public safety	69,490	82,284	92,159	(9,875)
Capital outlay	59,080	30,692	20,817	9,875
Total expenditures	<u>128,570</u>	<u>112,976</u>	<u>112,976</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(4,580)</u>	<u>25,566</u>	<u>25,566</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,580)</u>	<u>\$ 25,566</u>	<u>\$ 25,566</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
PW-FEMA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current operations:				
Public works	\$ -	\$ 71	\$ 71	\$ -
Capital outlay	<u>11,918</u>	<u>11,680</u>	<u>15,700</u>	<u>(4,020)</u>
Total expenditures	<u>11,918</u>	<u>11,751</u>	<u>15,771</u>	<u>(4,020)</u>
Excess (deficiency) of revenues over expenditures	<u>11,918</u>	<u>11,751</u>	<u>15,771</u>	<u>(4,020)</u>
Net change in fund balances	<u>\$ 11,918</u>	<u>\$ 11,751</u>	<u>\$ 15,771</u>	<u>\$ (4,020)</u>
Beginning cash balance	<u>\$ 15,771</u>	<u>\$ 15,771</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
LAW ENFORCEMENT PROTECTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 32,600	\$ 32,600	\$ 32,600	\$ -
Total revenues	<u>32,600</u>	<u>32,600</u>	<u>32,600</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Public safety	-	865	1,790	(925)
Capital outlay	<u>32,600</u>	<u>32,600</u>	<u>32,600</u>	<u>-</u>
Total expenditures	<u>32,600</u>	<u>33,465</u>	<u>34,390</u>	<u>(925)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(865)</u>	<u>(1,790)</u>	<u>(925)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (865)</u>	<u>\$ (1,790)</u>	<u>\$ (925)</u>
Beginning cash balance	<u>\$ 1,812</u>	<u>\$ 1,812</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
TRAFFIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ 227	\$ 335	\$ 108
Intergovernmental	26,000	39,948	15,532	(24,416)
Miscellaneous	-	3,840	-	(3,840)
Total revenues	<u>26,000</u>	<u>44,015</u>	<u>15,867</u>	<u>(28,148)</u>
EXPENDITURES				
Current operations:				
Public safety	26,000	20,882	21,140	(258)
	-	-	-	-
Total expenditures	<u>26,000</u>	<u>20,882</u>	<u>21,140</u>	<u>(258)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>23,133</u>	<u>(5,273)</u>	<u>(28,406)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 23,133</u>	<u>\$ (5,273)</u>	<u>\$ (28,406)</u>
Beginning cash balance	<u>\$ 37,289</u>	<u>\$ 37,289</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 269,550	\$ 275,626	\$ 245,710	\$ (29,916)
Miscellaneous	5,000	2,318	2,318	-
Total revenues	<u>274,550</u>	<u>277,944</u>	<u>248,028</u>	<u>(29,916)</u>
EXPENDITURES				
Current operations:				
Culture and recreation	14,200	15,270	15,270	-
Capital outlay	260,350	34,841	34,841	-
Total expenditures	<u>274,550</u>	<u>50,111</u>	<u>50,111</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>227,833</u>	<u>197,917</u>	<u>(29,916)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 227,833</u>	<u>\$ 197,917</u>	<u>\$ (29,916)</u>
Beginning cash balance	<u>\$ 70,539</u>	<u>\$ 70,539</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
LODGERS TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodgers' taxes	\$ -	\$ 8,786	\$ 8,786	\$ -
Total revenues	<u>-</u>	<u>8,786</u>	<u>8,786</u>	<u>-</u>
EXPENDITURES				
Current operations:				
General government	-	9,005	9,005	-
Total expenditures	<u>-</u>	<u>9,005</u>	<u>9,005</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(219)</u>	<u>(219)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (219)</u>	<u>\$ (219)</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ 8,167</u>	<u>\$ 8,167</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current operations:				
Public works	\$ 65,000	\$ 65,062	\$ 65,062	\$ -
Total expenditures	<u>65,000</u>	<u>65,062</u>	<u>65,062</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(65,000)</u>	<u>(65,062)</u>	<u>(65,062)</u>	<u>-</u>
Other financing sources (uses):				
Transfer in	65,000	64,938	65,062	124
Total other financing sources (uses)	<u>65,000</u>	<u>64,938</u>	<u>65,062</u>	<u>124</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 124</u>	<u>\$ -</u>	<u>\$ 124</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
LANDMARK TREES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfer out	\$ (614)	\$ (614)	\$ (614)	\$ -
Total other financing sources	<u>(614)</u>	<u>(614)</u>	<u>(614)</u>	<u>-</u>
Net change in fund balances	<u>\$ (614)</u>	<u>\$ (614)</u>	<u>\$ (614)</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ 614</u>	<u>\$ 614</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
SAFE ROUTES TO SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,851	\$ 3,851
Total revenues	<u>-</u>	<u>-</u>	<u>3,851</u>	<u>3,851</u>
EXPENDITURES				
Current operations:				
Public safety	-	2,007	3,851	(1,844)
Total expenditures	<u>-</u>	<u>2,007</u>	<u>3,851</u>	<u>(1,844)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,007)</u>	<u>-</u>	<u>2,007</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (2,007)</u>	<u>\$ -</u>	<u>\$ 2,007</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
POLICE SPECIAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 16,400	\$ 124,778	\$ 146,295	\$ 21,517
Miscellaneous	-	4,966	5,302	336
Total revenues	<u>16,400</u>	<u>129,744</u>	<u>151,597</u>	<u>21,853</u>
EXPENDITURES				
Current operations:				
Public safety	55,048	104,656	104,360	296
Capital outlay	-	22,489	22,489	-
Total expenditures	<u>55,048</u>	<u>127,145</u>	<u>126,849</u>	<u>296</u>
Excess (deficiency) of revenues over expenditures	<u>(38,648)</u>	<u>2,599</u>	<u>24,748</u>	<u>22,149</u>
Net change in fund balances	<u>\$ (38,648)</u>	<u>\$ 2,599</u>	<u>\$ 24,748</u>	<u>\$ 22,149</u>
Beginning cash balance	<u>\$ 110,167</u>	<u>\$ 110,167</u>		
RECONCILIATION TO GAAP BASIS				
Net increase (decrease) in fund balance budget basis			\$ 24,748	
Change in receivables			(20,188)	
Change in payables			<u>(1,222)</u>	
Net change in fund balance GAAP basis			<u>\$ 3,338</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
BOSQUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ -	\$ 3,351	\$ 9	\$ (3,342)
Total revenues	<u>-</u>	<u>3,351</u>	<u>9</u>	<u>(3,342)</u>
EXPENDITURES				
Current operations:				
General government	-	435	732	(297)
Total expenditures	<u>-</u>	<u>435</u>	<u>732</u>	<u>(297)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,916</u>	<u>(723)</u>	<u>(3,639)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 2,916</u>	<u>\$ (723)</u>	<u>\$ (3,639)</u>
Beginning cash balance	<u>\$ 1,873</u>	<u>\$ 1,873</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
CASA SAN YSIDRO FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current operations:				
General government	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Other financing sources (uses):				
Transfer in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
FIRE SUB-STATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 16,493	\$ 16,493	\$ -
Total revenues	<u>-</u>	<u>16,493</u>	<u>16,493</u>	<u>-</u>
EXPENDITURES				
Public safety	-	-	2,331	(2,331)
Capital outlay	-	55,142	52,811	2,331
Total expenditures	<u>-</u>	<u>55,142</u>	<u>55,142</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(38,649)</u>	<u>(38,649)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (38,649)</u>	<u>\$ (38,649)</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
PUBLIC SAFETY COMM EQUIP FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 100,000	\$ 106,884	\$ 100,000	\$ (6,884)
Total revenues	<u>100,000</u>	<u>106,884</u>	<u>100,000</u>	<u>(6,884)</u>
EXPENDITURES				
Current operations:				
Public safety	100,000	100,000	106,884	(6,884)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>106,884</u>	<u>(6,884)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>6,884</u>	<u>(6,884)</u>	<u>(13,768)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 6,884</u>	<u>\$ (6,884)</u>	<u>\$ (13,768)</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
FARMLAND PRESERVATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current operations:				
Public works	\$ -	\$ 827	\$ 22,585	\$ (21,758)
Total expenditures	<u>-</u>	<u>827</u>	<u>22,585</u>	<u>(21,758)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(827)</u>	<u>(22,585)</u>	<u>(21,758)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (827)</u>	<u>\$ (22,585)</u>	<u>\$ (21,758)</u>
Beginning cash balance	<u>\$ 441,836</u>	<u>\$ 441,836</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
ROAD CO-OP FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other tax	\$ 24,000	\$ 28,260	\$ 35,639	\$ 7,379
Intergovernmental	<u>126,000</u>	<u>130,982</u>	<u>126,000</u>	<u>(4,982)</u>
Total revenues	<u>150,000</u>	<u>159,242</u>	<u>161,639</u>	<u>2,397</u>
EXPENDITURES				
Capital outlay	<u>168,000</u>	<u>11,469</u>	<u>174,531</u>	<u>(163,062)</u>
Total expenditures	<u>168,000</u>	<u>11,469</u>	<u>174,531</u>	<u>(163,062)</u>
Excess (deficiency) of revenues over expenditures	<u>(18,000)</u>	<u>147,773</u>	<u>(12,892)</u>	<u>(160,665)</u>
Other financing sources (uses):				
Transfer in	<u>(18,000)</u>	<u>18,000</u>	<u>12,892</u>	<u>(5,108)</u>
Total other financing sources (uses)	<u>(18,000)</u>	<u>18,000</u>	<u>12,892</u>	<u>(5,108)</u>
Net change in fund balances	<u>\$ (36,000)</u>	<u>\$ 165,773</u>	<u>\$ -</u>	<u>\$ (165,773)</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
ANGEL HILL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 150,000	\$ 16,493	\$ 23,960	\$ 7,467
Total revenues	<u>150,000</u>	<u>16,493</u>	<u>23,960</u>	<u>7,467</u>
EXPENDITURES				
Public safety	30,000	30,000	23,960	6,040
Capital outlay	120,000	25,142	-	25,142
Total expenditures	<u>150,000</u>	<u>55,142</u>	<u>23,960</u>	<u>31,182</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(38,649)</u>	<u>-</u>	<u>38,649</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (38,649)</u>	<u>\$ -</u>	<u>\$ 38,649</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
HWY 528 ACCESS A FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,005,000	\$ 19,405	\$ 19,405	\$ -
Total revenues	<u>1,005,000</u>	<u>19,405</u>	<u>19,405</u>	<u>-</u>
EXPENDITURES				
Capital outlay	1,005,000	19,405	19,405	-
Total expenditures	<u>1,005,000</u>	<u>19,405</u>	<u>19,405</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
SKATE PARK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 300,000	\$ 2,975	\$ 40,000	\$ 37,025
Miscellaneous	41,551	81,551	44,526	(37,025)
Total revenues	<u>341,551</u>	<u>84,526</u>	<u>84,526</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Culture and recreation	-	-	4,238	(4,238)
Capital outlay	301,551	142,823	154,510	(11,687)
Total expenditures	<u>301,551</u>	<u>142,823</u>	<u>158,748</u>	<u>(15,925)</u>
Excess (deficiency) of revenues over expenditures	<u>40,000</u>	<u>(58,297)</u>	<u>(74,222)</u>	<u>(15,925)</u>
Net change in fund balances	<u>\$ 40,000</u>	<u>\$ (58,297)</u>	<u>\$ (74,222)</u>	<u>\$ (15,925)</u>
Beginning cash balance	<u>\$ -</u>	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
LOMA LARGA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,175,000	\$ 677,723	\$ 404,269	\$ (273,454)
Total revenues	<u>1,175,000</u>	<u>677,723</u>	<u>404,269</u>	<u>(273,454)</u>
EXPENDITURES				
Capital outlay	<u>1,175,000</u>	<u>592,326</u>	<u>592,326</u>	<u>-</u>
Total expenditures	<u>1,175,000</u>	<u>592,326</u>	<u>592,326</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>85,397</u>	<u>(188,057)</u>	<u>(273,454)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 85,397</u>	<u>\$ (188,057)</u>	<u>\$ (273,454)</u>
Beginning cash balance	<u>\$ 734,073</u>	<u>\$ 734,073</u>		
RECONCILIARION TO GAAP BASIS				
Net increase (decrease) in fund balance budget basis			\$ (188,057)	
Change in receivables			804,572	
Change in deferred revenue			(531,118)	
Change in payables			(531,118)	
Net change in fund balance GAAP basis			<u>\$ (445,721)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
FAR NORTH WEST SECTOR FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ 16,613	\$ 16,613	\$ -
Interest on investments	-	26,090	26,090	-
Total revenues	<u>-</u>	<u>42,703</u>	<u>42,703</u>	<u>-</u>
EXPENDITURES				
Current operations:				
Public works	-	770	20,121	(19,351)
Debt service:				
Debt service principal	-	-	-	-
Debt service interest	-	43,615	34,543	9,072
Capital outlay	-	99,772	89,493	10,279
Total expenditures	<u>-</u>	<u>144,157</u>	<u>144,157</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(101,454)</u>	<u>(101,454)</u>	<u>-</u>
Other financing sources (uses):				
Transfer in	-	1,630	1,630	-
Total other financing sources (uses)	<u>-</u>	<u>1,630</u>	<u>1,630</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (99,824)</u>	<u>\$ (99,824)</u>	<u>\$ -</u>
Beginning cash balance	<u>\$ 71,147</u>	<u>\$ 71,147</u>		

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
GENERAL OBLIGATION BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ -	\$ 387,070	\$ 412,175	\$ 25,105
Total revenues	<u>-</u>	<u>387,070</u>	<u>412,175</u>	<u>25,105</u>
EXPENDITURES				
Current operations				
General government	-	-	141	(141)
Debt service:				
Debt service principal	240,000	217,766	240,000	(22,234)
Debt service interest	48,368	48,368	48,368	-
Total expenditures	<u>288,368</u>	<u>266,134</u>	<u>288,509</u>	<u>(22,375)</u>
Excess (deficiency) of revenues over expenditures	<u>(288,368)</u>	<u>120,936</u>	<u>123,666</u>	<u>2,730</u>
Other financing sources (uses):				
Transfer in	288,368	-	-	-
Total other financing sources (uses)	<u>288,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 120,936</u>	<u>\$ 123,666</u>	<u>\$ 2,730</u>
Beginning cash balance	<u>\$ 268,439</u>	<u>\$ 268,439</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
NMFA 41ST SUPP FIRE PROG FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 649	\$ 649
Total revenues	<u>-</u>	<u>-</u>	<u>649</u>	<u>649</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>649</u>	<u>649</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649</u>	<u>\$ 649</u>
Beginning cash balance	<u>\$ 929</u>	<u>\$ 929</u>		

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
NMFA 1996B FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET (Non-GAAP Basis) and ACTUAL on BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current operations:				
General government	\$ -	\$ -	\$ 4,055	\$ (4,055)
Total expenditures	<u>-</u>	<u>-</u>	<u>4,055</u>	<u>(4,055)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(4,055)</u>	<u>(4,055)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,055)</u>	<u>\$ (4,055)</u>
Beginning cash balance	<u>\$ 578</u>	<u>\$ 578</u>		

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF CORRALES
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2008

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2,008</u>
ASSETS				
Cash	\$ 5,002	\$ 8,896	\$ (10,312)	\$ 3,586
Total assets	<u>\$ 5,002</u>	<u>\$ 8,896</u>	<u>\$ (10,312)</u>	<u>\$ 3,586</u>
LIABILITIES				
Deposits payable	\$ 5,002	\$ 8,896	\$ (10,312)	\$ 3,586
Total liabilities	<u>\$ 5,002</u>	<u>\$ 8,896</u>	<u>\$ (10,312)</u>	<u>\$ 3,586</u>



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**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***

Phillip Gasteyer, Mayor
Village Council
Village of Corrales
Corrales, New Mexico
and
Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparison for the general fund, and the combining and individual funds presented as supplemental information of the Village of Corrales, New Mexico as of and for the year ended June 30, 2008, and have issued our report thereon dated November 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than

inconsequential will not be prevented or detected by the Village's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. Findings 2007-A and 2008-A.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Corrales, New Mexico's internal control.

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, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Corrales, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-A and 2008-A.

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

This report is intended solely for the information and use of management, others within the agency, the State Auditor, the New Mexico Legislature, New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
November 12, 2008

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008**

Findings – Financial Statements Audit

Reportable Conditions – Prior Year

2007-A	Excess of Expenditures Over Budget - Repeat
2007-B	New Hire Reporting Requirements - Resolved
2007-C	Untimely Deposits - Resolved
2007-D	Preparation of Financial Statements - Resolved

Current Year

2007-A	Excess of Expenditures Over Budget - Repeat
2008-A	Budget Adjustment Request

CURRENT YEAR FINDINGS:

2007-A Excess of Expenditures Over Budget

Condition: Actual expenditures exceeded budgeted expenditures at the total fund level for the following funds:

PW-FEMA Fund	\$	(4,020)
Law Enforcement Protection Fund		(925)
Traffic Safety Fund		(258)
Safe Routes to School Fund		(1,844)
Bosque Fund		(297)
Public Safety Comm Fund		(6,884)
Farmland Preservation Fund		(21,758)
Road Co-op Fund		(168,170)
Skate Fund		(15,925)
General Obligation Bond Fund		(22,375)
NMFA 1996B		(4,055)

Criteria: 6-6-6 NMSA 1978 requires that the Village keep expenditures within the budgeted amounts.

Effect: The Village's expenditures in the above funds exceeded the approved budgets by the amounts noted above for each fund.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008**

Cause: The Village over spent their budget in the funds noted above and did not apply for budget adjustment request to the Department of Finance and Administration (DFA) when expenditures in excess of budget were necessary.

Recommendation: Budget adjustment requests should be presented to and approved by DFA before expending funds in excess of budget.

Response: Management agrees with the recommendation.

2008-A Budget Adjustment Request

Condition: Three Budget Adjustment Requests (BARs) were selected for testing. Of the BARs tested it was noted that the Village made expenditures in the various funds before the BARs were approved by the Department of Finance and Administration (DFA). The expenditure prior to DFA approval are as follows:

<u>Fund</u>	<u>Expenditure</u>
Far Northwest Sector	\$ 15,464
Far Northwest Sector	13,865
Culture and Recreation	3,705
Culture and Recreation	1,595
Safe Routes to School	2,008
Public Safety Communication Equipment	6,884

Criteria: NMSA 6.3.25 lists the procedures to be followed to amend a budget.

Effect: The Village expended monies prior to approval by DFA. Per state statute any employee or public official violating this ordinance may be subject to legal action by DFA.

Cause: The expenditures out of the funds noted above were made prior to the BAR approvals by DFA. The expenditures were made without informing the finance director that an adjustment to the budget would be required due to an increase in the necessary expenditure.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008**

Recommendation: Each department head needs to monitor their budgets and inform the finance director in a timely fashion that a BAR is necessary. Once the finance director makes the necessary BAR the department head should wait until approval by DFA before making the expenditure.

Response: The Village agrees with this recommendation.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008**

EXIT CONFERENCE

An exit conference was held on November 12, 2008 at the Village's offices. In attendance were Phillip Gasteyer, Mayor; Nora Scherzinger, Village Administrator; and Nancy Arnold, Finance Director from the Village of Corrales. Cynthia James, CPA, and Regina Gordon, CPA were in attendance for Pattillo, Brown & Hill, L.L.P.