

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
AUDIT REPORT  
JUNE 30, 2011**

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
JUNE 30, 2011**

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
JUNE 30, 2011**

**OFFICAL ROSTER**

**Mayor and Councilmen**

<u>Name</u>	<u>Title</u>
Phillip Gasteyer	Mayor
John Alsobrook	Councilor
Patricia S. Clauser	Councilor
Ennio Garcia-Miera	Councilor
Gerard Gagliano	Councilor
Sayre Gerhart	Councilor
Mick Harper	Councilor

**Administrative Officials**

John Avila	Village Administrator
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## **FINANCIAL STATEMENTS SECTION**





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

## INDEPENDENT AUDITORS' REPORT

Philip Gasteyer, Mayor  
Village Council  
Village of Corrales  
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, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Village of Corrales, New Mexico (Village), as of and for the year ended June 30, 2011, 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, and the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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, as of June 30, 2011, and the respective changes in financial position and the respective budgetary comparison for the general 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 as of June 30, 2011, and the respective changes in financial position and the respective budgetary comparisons for the capital project funds, debt service fund, and all nonmajor governmental 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 21, 2011, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 supplementary 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, are 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 21, 2011

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,923,550
Receivables (net of allowance for uncollectibles)	268,430
Prepaid expenses	4,667
Total current assets	3,196,647
Noncurrent assets	
Restricted cash	1,047,544
Other assets-bond issue costs	94,350
Capital assets not being depreciated	
Land	5,848,563
Water Rights	230,621
Construction in progress	2,030,424
Capital assets being depreciated, net	9,176,894
Total noncurrent assets	18,428,396
Total assets	21,625,043
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	229,529
Accrued payroll liabilities	86,641
Accrued interest payable	22,039
Advance	195,092
Current portion of long term debt	214,452
Total current liabilities	747,753
Noncurrent liabilities:	
Compensated absences	75,526
Bonds and notes less current portion	3,273,726
Total noncurrent liabilities	3,349,252
Total liabilities	4,097,005
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	13,798,324
Restricted for:	
Capital projects	1,219,602
Debt service	685,605
Unrestricted	1,824,507
Total net assets	\$ 17,528,038

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, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 1,277,136	\$ 282,518	\$ 185,578	\$ -
Public Safety	2,173,194	108	452,840	81,760
Culture and Recreation	567,931	-	58,596	-
Public Works	757,203	-	40,502	694,983
Debt Service	90,841	-	-	-
Total Governmental Activities	<u>4,866,305</u>	<u>282,626</u>	<u>737,516</u>	<u>776,743</u>

General revenues:

Taxes:

Sales

Property, levied for general purposes

Franchise

State shared

Lodgers'

Fines and forfeitures

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets, beginning

Restatement

Net assets, beginning as restated

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

---

\$( 809,040)  
( 1,638,486)  
( 509,335)  
( 21,718)  
( 90,841)  
( 3,069,420)

1,015,978  
1,158,955  
265,039  
755,298  
5,972  
132,924  
4,204  
74,717

3,413,087  
343,667

17,197,611  
( 13,240)  
17,184,371

\$ 17,528,038

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>General Fund</u>	<u>Far North West Sector</u>	<u>Waste Water Project</u>	<u>General Obligations</u>
<b>ASSETS</b>				
Cash	\$ 1,261,368	\$ 182,916	\$ 38,950	\$ 459,724
Accounts receivable (net of allowance for uncollectibles)	132,609	1,364	43,914	32,277
Prepaid expenses	-	-	-	-
Due from other funds	102,517	-	191,709	-
Cash - restricted	-	1,047,544	-	-
<b>Total assets</b>	<u>\$ 1,496,494</u>	<u>\$ 1,231,824</u>	<u>\$ 274,573</u>	<u>\$ 492,001</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 10,759	\$ 172,299	\$ 24,484	\$ -
Accrued payroll liabilities	86,192	-	-	-
Advance	-	-	195,092	-
Deferred revenue	57,528	-	-	28,196
Due to other funds	<u>255,335</u>	<u>3,605</u>	<u>45,369</u>	<u>-</u>
<b>Total liabilities</b>	<u>409,814</u>	<u>175,904</u>	<u>264,945</u>	<u>28,196</u>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	-	-	-	-
Capital projects	-	840,277	9,628	-
Debt service	-	215,643	-	463,805
Unassigned	<u>1,086,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>1,086,680</u>	<u>1,055,920</u>	<u>9,628</u>	<u>463,805</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,496,494</u>	<u>\$ 1,231,824</u>	<u>\$ 274,573</u>	<u>\$ 492,001</u>

Long term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.

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

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

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

Net assets of governmental activities

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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 980,592	\$ 2,923,550
58,266	268,430
4,667	4,667
176,578	470,804
-	1,047,544
<u>\$ 1,220,103</u>	<u>\$ 4,714,995</u>

\$ 21,987	\$ 229,529
449	86,641
-	195,092
5,823	91,547
<u>166,495</u>	<u>470,804</u>
<u>194,754</u>	<u>1,073,613</u>

4,667	4,667
678,559	678,559
363,874	1,213,779
-	679,448
( 21,751)	<u>1,064,929</u>
<u>1,025,349</u>	3,641,382
<u>\$ 1,220,103</u>	

( 3,491,393)

17,286,502

5,823

85,724

\$ 17,528,038



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Far North West Sector</u>	<u>Waste Water Project</u>	<u>General Obligations</u>
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$ 1,015,978	\$ -	\$ -	\$ -
Property	927,162	-	-	231,793
Franchise	265,039	-	-	-
State-shared	745,009	-	-	-
Lodgers'	-	-	-	-
Licenses and permits	150,973	-	-	-
Intergovernmental	181,402	619,931	167,241	-
Charges for services	131,545	-	-	-
Fines and forfeitures	78,642	-	-	-
Interest on investments	3,128	565	-	-
Miscellaneous	52,816	-	-	-
<b>Total revenues</b>	<u>3,551,694</u>	<u>620,496</u>	<u>167,241</u>	<u>231,793</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	919,893	-	-	3,318
Public safety	1,607,849	-	-	-
Public works	411,943	9,345	-	-
Culture and recreation	397,133	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	175,000
Interest and debt issuance costs	-	51,434	-	57,124
<b>Capital outlay</b>	<u>30,407</u>	<u>908,485</u>	<u>98,390</u>	<u>-</u>
<b>Total expenditures</b>	<u>3,367,225</u>	<u>969,264</u>	<u>98,390</u>	<u>235,442</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>184,469</u>	<u>( 348,768)</u>	<u>68,851</u>	<u>( 3,649)</u>
<b>Other financing sources (uses):</b>				
Transfers in	10,273	-	-	-
Transfers out	( 52,148)	-	-	-
Loan proceeds	-	993,178	-	-
<b>Total other financing sources (uses)</b>	<u>( 41,875)</u>	<u>993,178</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>142,594</u>	<u>644,410</u>	<u>68,851</u>	<u>( 3,649)</u>
<b>Fund balances, beginning of year</b>	944,086	411,510	( 47,757)	467,454
Restatement	-	-	( 11,466)	-
<b>Fund balances, beginning as restated</b>	<u>944,086</u>	<u>411,510</u>	<u>( 59,223)</u>	<u>467,454</u>
<b>Fund balances, end of year</b>	<u>\$ 1,086,680</u>	<u>\$ 1,055,920</u>	<u>\$ 9,628</u>	<u>\$ 463,805</u>

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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,015,978
-	1,158,955
-	265,039
10,289	755,298
5,972	5,972
-	150,973
841,131	1,809,705
108	131,653
54,282	132,924
511	4,204
<u>21,901</u>	<u>74,717</u>
<u>934,194</u>	<u>5,505,418</u>
4,176	927,387
408,436	2,016,285
135,888	557,176
69,853	466,986
-	175,000
-	108,558
<u>310,176</u>	<u>1,347,458</u>
<u>928,529</u>	<u>5,598,850</u>
<u>5,665</u>	<u>( 93,432)</u>
52,148	62,421
( 10,273)	( 62,421)
<u>-</u>	<u>993,178</u>
<u>41,875</u>	<u>993,178</u>
<u>47,540</u>	<u>899,746</u>
979,583	2,754,876
( 1,774)	( 13,240)
<u>977,809</u>	<u>2,741,636</u>
<u>\$ 1,025,349</u>	<u>\$ 3,641,382</u>

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**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, 2011**

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

Net change in fund balances - total governmental funds	\$	899,746
<p>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.</p>		
		554,866
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net assets. Also governmental funds report the effect of issuance of costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
	(	803,500)
<p>Under the modified accrual basis of accounting used in the governmental funds, revenue is recognized when available to provide financing resources for the current period. In the statement of activities, however, which is presented on an accrual basis, revenues and related receivables are reported regardless of when financial resources are available. This adjustment combines the net changes of balances.</p>		
	(	295,446)
<p>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.</p>		
	(	<u>11,999)</u>
Change in net assets of governmental activities	\$	<u><u>343,667</u></u>

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

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$ 1,031,745	\$ 1,031,745	\$ 1,015,978	\$( 15,767)
Property	796,396	796,396	927,162	130,766
Franchise	225,000	225,000	265,039	40,039
State-shared	816,254	816,254	745,009	( 71,245)
Licenses and permits	193,500	193,500	150,973	( 42,527)
Intergovernmental	147,000	547,000	181,402	( 365,598)
Charges for services	120,500	120,500	131,545	11,045
Fines and forfeitures	75,000	75,000	78,642	3,642
Interest on investments	5,000	5,000	3,128	( 1,872)
Miscellaneous	9,000	30,247	52,816	22,569
<b>Total revenues</b>	<u>3,419,395</u>	<u>3,840,642</u>	<u>3,551,694</u>	<u>( 288,948)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	904,969	935,974	919,893	16,081
Public safety	1,703,800	1,699,800	1,607,849	91,951
Culture and recreation	420,307	421,807	397,133	24,674
Public works	476,566	437,197	411,943	25,254
<b>Capital outlay:</b>	<u>7,000</u>	<u>426,747</u>	<u>30,407</u>	<u>396,340</u>
<b>Total expenditures</b>	<u>3,512,642</u>	<u>3,921,525</u>	<u>3,367,225</u>	<u>554,300</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 93,247)</u>	<u>( 80,883)</u>	<u>184,469</u>	<u>265,352</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	20,000	10,273	( 9,727)
Transfers out	<u>-</u>	<u>( 73,500)</u>	<u>( 52,148)</u>	<u>21,352</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>( 53,500)</u>	<u>( 41,875)</u>	<u>11,625</u>
<b>Net change in fund balances</b>	<u>\$( 93,247)</u>	<u>\$( 134,383)</u>	<u>\$ 142,594</u>	<u>\$ 276,977</u>
Beginning cash balance	<u>\$ 423,969</u>	<u>\$ 423,969</u>		

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

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2011**

**ASSETS**

Cash

\$ 1,797

**LIABILITIES**

Deposits payable

\$ 1,797

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



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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**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 six 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 (Village) is presented to assist in the understanding of Village's financial statements. The financial statements and notes are the representation of Village's 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 – Far Northwest Sector** – accounts for the legislative appropriation and debt proceeds to be used to create a lighted access road from the Village of Corrales to Rio Rancho at the intersection of Northern Blvd and Highway 528.

The **Capital Project – Waste Water Project** accounts for the grant funds used for the construction of the sewer system in the Village.

The **Debt Service – General Obligation Bonds** is used to accumulate monies from the collection of ad valorem taxes for the payment of bonds entered into to purchase farmland easements. The bonds are payable to Bank of New York Mellon.

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, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

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

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

**Cash and Cash Equivalents**

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

**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. The straight-line method is used for 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, 2011 consist of receivables from grantors and various taxes and receivables.

**Compensated Absences**

Compensated absences are accrued in governmental funds. As of June 30, 2011 those liabilities were approximately \$75,526.

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.

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

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

#### **Compensated Absences** (continued)

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.

#### **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 aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

#### **Fund Balances** (continued)

*Assigned fund balance.* This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Village council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

#### **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 or 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.

#### **Property Taxes**

The Village's property taxes are assessed and collected by Sandoval County. At this time the County cannot provide the Village with the amount of delinquent property taxes therefore unavailable property taxes have not been updated for the fiscal year ending June 30, 2011.

### E. Implementation of New Accounting Principles

For the year ending June 30, 2011 the Village implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally the definitions of the general fund, special revenue fund type, capital projects fund type, and debt service fund type, are clarified by the provisions in this Statements.

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

**A. 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:

Bond and loans payable - current	\$ 214,452
Bonds and loans - long term	3,273,726
Less: Bond issue costs (amortized over the life of debt)	(94,350)
Accrued interest payable	22,039
Compensated absences	<u>75,526</u>
 <i>Net adjustment to reduce fund balance - total governmental funds to arrive at net assets of governmental activities</i>	 <u>\$ 3,491,393</u>

**B. 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	1,347,458
Depreciation expense	<u>(792,592)</u>
 <i>Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	 <u>\$ 554,866</u>



2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities** (continued)

Another element of that reconciliation states, “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” The details of this difference are as follows:

Principal retirements	\$ 175,000
Loan issuance costs	14,678
Loan proceeds	<u>( 993,178)</u>
<i>Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$ ( 803,500)</u></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	\$ (4,805)
Amortization of bond issue costs	(10,233)
Accrued interest - decrease	<u>3,039</u>
<i>Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$ (11,999)</u></u>

### **3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. 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 2010 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, 2011 the Village had \$3,361,634 in financial institutions and \$611,257 invested in the New Mexico State Treasurer's Local Government Pooled Investment.

##### Cash and Cash Equivalents

	Balance Per Bank 6-30-11	Add Deposits In Transit	Less Outstanding Checks	Adjustment	Balance Per Books 6-30-11
<b>Wells Fargo Bank</b>					
Checking Accounts					
General	\$ 1,727,950	\$ 13,134	\$( 318,333)	\$( 1,169)	\$ 1,421,582
Farmland	236,986	-	-	-	236,986
Impact fee	22,005	-	( 10,349)	-	11,656
Bosque	49,142	-	( 2,226)	-	46,916
Court Bond Account	3,251	-	( 954)	( 500)	1,797
Savings	<u>594,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>594,902</u>
Total Cash in Banks	<u>\$ 2,634,236</u>	<u>\$ 13,134</u>	<u>\$( 331,862)</u>	<u>\$( 1,669)</u>	\$ 2,313,839
Plus:					
Cash on Hand					250
Funds Held by New Mexico Finance Authority:					
Loan funds					831,901
Loan reserve accounts					173,037
Loan Debt service account					42,607
State Treasurer's Office - Investment pool					<u>611,257</u>
Total Cash and Cash Equivalents Per Books					<u>\$ 3,972,891</u>
As Reported in Financial Statements:					
Cash					2,923,550
Restricted cash					1,047,544
Agency fund					<u>1,797</u>
					<u>\$ 3,972,891</u>

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

**Pledged Collateral at Banks**

	<b><u>Wells Fargo</u></b>
Deposits	\$ 2,634,236
Less FDIC Coverage	( 250,000)
Covered by Section 343 of the Dodd-Frank Act	<u>( 1,727,950)</u>
Total uninsured public funds	656,286
<b>Collateral pledged :</b>	
<b>Wells Fargo Bank Northwest, NA</b>	
FNMA, 06/01/36	
CUSIP, 314103DJW0	250,961
FNMA, 10/01/36	
CUSIP, 31409GP42	303,761
FNMA, 11/01/35	
CUSIP, 31406HE27	88,017
FNMA, 10/01/37	
CUSIP, 31413MR58	<u>45,890</u>
Pledged collateral held by the pledging bank's trust department or agent, not in the Village's name	<u>688,629</u>
Uninsured and uncollateralized	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 328,143
Pledged collateral	<u>688,629</u>
Over (under) collateralized	<u>\$ 360,486</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, 2011 \$656,286 of the Village's bank balance of \$2,634,236 was exposed to custodial credit risk as follows:

	<b><u>Wells Fargo Bank</u></b>
Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's trust department in the Bank's name	<u>656,286</u>
Total	<u>\$ 656,286</u>

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

**Custodial Credit Risk – Deposits** (continued)

Additionally, three debt service accounts are managed by the New Mexico Finance Authority (NMFA), on deposit with 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 \$1,047,544

Reserve Funds Payable	173,036
Program Funds	831,901
Debt Services	<u>42,607</u>
Total	<u>\$ 1,047,544</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 registered with the SEC. 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 LGIP 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. At June 30, 2011 the Village had \$608,723 invested in the LGIP which is AAAM rated with a 36-day weighted average maturity and \$2,534 in the reserve contingencies fund which is not rated and is considered a non-performing asset.

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

**Receivables**

Receivables as of June 30, 2011 for the Village's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Far Northwest Sector</u>	<u>Waste Water Project</u>	<u>General Obligations</u>	<u>Non- major</u>	<u>Total</u>
<b>Receivables:</b>						
Accounts	\$ 11,840	\$ 1,364	\$ -	\$ -	\$ -	\$ 13,204
Property taxes	91,769	-	-	32,277	-	124,046
Franchise taxes	27,108	-	-	-	-	27,108
Grants	-	-	43,914	-	58,266	102,180
Fines and fees	<u>39,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,386</u>
Gross receivables	170,103	1,364	43,914	32,277	58,266	305,924
Less: allowance for uncollectibles	<u>37,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,494</u>
Net total receivables	<u>\$ 132,609</u>	<u>\$ 1,364</u>	<u>\$ 43,914</u>	<u>\$ 32,277</u>	<u>\$ 58,266</u>	<u>\$ 268,430</u>

The receivables of the General, Special Revenue, Debt Service, and Capital Project 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 only 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, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,472,950	\$ 375,613	\$ -	\$ 5,848,563
Water rights	230,621	-	-	230,621
Construction in progress	<u>1,349,669</u>	<u>680,755</u>	<u>-</u>	<u>2,030,424</u>
Total capital assets not being depreciated	<u>7,053,240</u>	<u>1,056,368</u>	<u>-</u>	<u>8,109,608</u>
Capital assets, being depreciated:				
Buildings and structures	5,081,143	-	-	5,081,143
Equipment and machinery	1,230,923	50,355	-	1,281,278
Furniture and fixtures	1,031,699	-	-	1,031,699
Library books	84,449	29,938	-	114,387
Vehicles	1,335,126	60,538	-	1,395,664
Infrastructure	<u>9,852,942</u>	<u>150,259</u>	<u>-</u>	<u>10,003,201</u>
Total capital assets being depreciated	<u>18,616,282</u>	<u>291,090</u>	<u>-</u>	<u>18,907,372</u>
Less accumulated depreciation:				
Buildings and structures	( 1,631,106)	( 138,715)	-	( 1,769,821)
Equipment and machinery	( 907,853)	( 86,402)	-	( 994,255)
Furniture and fixtures	( 564,824)	( 61,782)	-	( 626,606)
Library books	( 36,209)	( 15,066)	-	( 51,275)
Vehicles	( 1,045,717)	( 59,875)	-	( 1,105,592)
Infrastructure	<u>( 4,752,177)</u>	<u>( 430,752)</u>	<u>-</u>	<u>( 5,182,929)</u>
Total accumulated depreciation	<u>( 8,937,886)</u>	<u>( 792,592)</u>	<u>-</u>	<u>( 9,730,478)</u>
Total capital assets being depreciated, net	<u>9,678,396</u>	<u>( 501,502)</u>	<u>-</u>	<u>9,176,894</u>
Governmental activities capital assets, net	<u>\$ 16,731,636</u>	<u>\$ 554,866</u>	<u>\$ -</u>	<u>\$ 17,286,502</u>

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

**Capital Assets** (continued)

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

Governmental Activities:	
General government	\$ 344,944
Public safety	156,909
Public works	189,794
Culture and recreation	<u>100,945</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 792,592</u>

**Interfund Receivables, Payables and Transfers**

The outstanding balances between funds result mainly from the time lags 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, 2011 were as follows:

<b>Due to</b>	<b>Due from</b>				<b>Total</b>
	<b>General Fund</b>	<b>Far Northwest Sector</b>	<b>Waste Water Project</b>	<b>Nonmajor Funds</b>	
General Fund	\$ -	\$ 3,605	\$ 45,369	\$ 53,543	\$ 102,517
Waste Water Project	191,709	-	-	-	191,709
Nonmajor Funds	<u>63,626</u>	<u>-</u>	<u>-</u>	<u>112,952</u>	<u>176,578</u>
<b>Total</b>	<u>\$ 255,335</u>	<u>\$ 3,605</u>	<u>\$ 45,369</u>	<u>\$ 166,495</u>	<u>\$ 470,804</u>



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

**Interfund Receivables, Payables and Transfers** (continued)

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, 2011:

	<u>Transfers out</u>		
	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Transfers In:			
General	\$ -	\$ 10,273	\$ 10,273
Nonmajor Funds	<u>52,148</u>	<u>-</u>	<u>52,148</u>
Total transfers out	52,148	10,273	62,421
Less Transfers in	<u>10,273</u>	<u>52,148</u>	<u>62,421</u>
Net transfers	<u>\$ 41,875</u>	<u>\$ (41,875)</u>	<u>\$ -</u>

**Short-term Debt**

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

**Long-term Debt**

The general obligation bonds series 2005 were issued on August 31, 2004 for \$1,700,000. 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 1<sup>st</sup> of August and February of each year.

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.

The general obligation bonds series 2008 were issued on August 31, 2008 for \$800,000. The interest rates range from 3.50% to 4.25%. Portions of the bonds will mature on August 1 of each year commencing on August 1, 2009, and ending no later than August 1, 2017 in amounts to be determined by the Village. The semi-annual payments vary from \$1,594 to \$214,609 and are due on the 1<sup>st</sup> of August and February of each year.

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

**Long-term Debt** (continued)

On May 13, 2011 the Village borrowed \$993,178 from the New Mexico Finance Authority for designing, acquiring, improving, equipping and constructing various capital improvement projects, including but not limited to right-of-way acquisition, property acquisition, as well as costs associated with the design and construction of roadway infrastructure within the Village. The loan bears interest at 4.176% and is payable in installment payments beginning May 2012 continuing through May 2031. Revenues pledged for payment of this loan are from the distributions of state shared gross receipts tax revenue.

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.

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

June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2012	\$ 175,000	\$ 52,893	\$ 39,452	\$ 71,934
2013	180,000	46,622	49,762	72,828
2014	185,000	40,029	60,565	72,072
2015	190,000	33,070	71,909	70,803
2016	195,000	25,714	99,782	68,971
2017-2021	535,000	30,329	550,748	295,369
2022-2026	-	-	715,675	186,937
2027-2031	-	-	440,285	51,584
Total	<u>\$ 1,460,000</u>	<u>\$ 228,657</u>	<u>\$ 2,028,178</u>	<u>\$ 890,498</u>

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,635,000	\$ -	\$ 175,000	\$ 1,460,000	\$ 175,000
Notes payable	1,035,000	993,178	-	2,028,178	39,452
Compensated absences	70,721	91,066	86,261	75,526	-
	<u>\$ 2,740,721</u>	<u>\$ 1,084,244</u>	<u>\$ 261,261</u>	<u>\$ 3,563,704</u>	<u>\$ 214,452</u>

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

##### **Deficit Fund Balance**

The following funds had deficit fund balances at June 30, 2011:

<b>Special Revenue Funds</b>	
Law Enforcement	\$ 39
<b>Capital Project Funds</b>	
Records Center	5,823
Road CO-OP	15,760
Residential Roads	129

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, 2011 was \$17,190 which consisted of \$8,595 for the Village and \$8,595 from employees. The 457 plan contribution from employees was \$31,388 for the year ended June 30, 2011.

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

##### **Retirement Plan**

**Plan Description.** Starting July 1, 2008, substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

**Funding Policy.** Plan members are required to contribute between 7% and 8% of their gross salary depending on classification. The Village is required to contribute between 7% and 11% of the gross covered salary depending on classification. The contribution requirements of plan members and the Village are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of legislature. The Village's contributions to PERA for the years ending June 30, 2011, 2010, and 2009 were \$137,812, \$148,324, and \$136,019, respectively, which equal to the amount of the required contributions for each fiscal year.

#### 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 includes 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 workman's 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.

##### **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 the operation and audit of its records. The Village shall pay a pro rata share of the approved total annual budget. The Village's pro rata share is 4.8946%. The Village is responsible for the maintenance of their own 911 equipment. The Village of Corrales contributed \$113,630 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. A payment was made to the Forestry Division of \$51,882 for the Cabazon fire in the current year. Revenues and expenditures are reported to DFA.

A Joint Powers Agreement between the Village of Corrales and the City of Rio Rancho to provide for an Eastern leg to the intersection of N.M.S.R. 528 and Northern Boulevard, and other access improvements was entered into on June 25, 2010. The Village is responsible for all design, construction, acquisition, and funding.

A Joint Powers Agreement between the Village of Corrales and the Southern Sandoval County Arroyo Flood Control Authority (SSCAFCA) for the design and construction of drainage improvements in the Salce Park area of the Village of Corrales was entered into on October 4, 2010. Under the agreement the Village is responsible for the design and construction of the drainage improvements, SSCAFCA will reimburse the Village for costs in an amount not to exceed \$400,000. The agreement is in effect until all projects have been completed and reimbursement has been made, or until two years from the effective date.

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

**Memorandum of Agreement**

A Memorandum of Agreement between the Village and the Middle Rio Grande Valley Task Force (MRGVTF) is entered into annually where the Village employs Special Class Employees, who are assigned solely to the MRGVTF to conduct narcotics investigations. Bernalillo County reimburses the employment expenses for these employees. Bernalillo County reimbursed the Village \$81,300 for the current year.

A Memorandum of Agreement between the County of Sandoval and the Village was entered into on June 19, 2008 to provide funding for the wastewater collection system to benefit the area businesses and residents of Sandoval County. The County committed \$750,000 to be paid to the Village on a cost reimbursable basis or payments made directly to the contractors. This MOU was extended one year and will terminate on June 30, 2011. Sandoval County reimbursed the Village \$70,395 for current year expenditures.

**Capital Outlay Appropriation**

Capital Outlay appropriations are as follows:

<u>Capital Project Fund</u>	<u>Project Appropriation</u>	<u>Expenditures to Date</u>	<u>Unexpended</u>	<u>Appropriation Period</u>
Corrales Records Center	\$ 10,000	\$ 10,000	\$ -	1/2006 to 6/2011
Loma Larga Construction	51,000	-	51,000	8/2008 to 6/2012
Corrales Emergency Access A	100,000	100,000	-	11/2007 to 6/2011
NM 528 and Northern Blvd	180,000	180,000	-	10/2005 to 6/2011
NM 528 and Northern Signal	100,000	100,000	-	11/2007 to 6/2011
Corrales Public Safety Facility Renovation	10,000	10,000	-	5/2007 to 6/2011
Corrales Roads and Drainage	275,000	275,000	-	1/2006 to 6/2011
	<u>\$ 726,000</u>	<u>\$ 675,000</u>	<u>\$ 51,000</u>	

The term of the grants are contingent upon sufficient state appropriations and may be reverted prior to the expiration dates.

**Expenditures in Excess of Budget**

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

EMS Fund	\$ 1,122
Law Enforcement Protection Fund	39
Municipal Street Fund	10,273
Records Center Fund	2,752
Farmland Preservation Fund	284
Residential Roads Fund	129
General Obligations Bond Fund	3,742

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

**Commitments and Contingencies**

The Waste Water Project Fund utilizes grants from the EPA, the State of New Mexico, and Sandoval County for a sewer project. At June 30, 2011 the Village had an advance of federal funds in the amount of \$195,092. Since the project is ongoing the Village will apply future expenditures against this advance.

**Restatement**

GASB Statement No. 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The new hierarchical fund balance classifications are based primarily upon the extent to which a government is bound to follow constraints on resources in governmental funds and includes the terms: nonspendable, restricted, committed, assigned, and unassigned. GASB Statement No. 54 was implemented in the current fiscal year. Details of the Village's fund balance classifications and policies are reflected in Note 1.

The governmental fund types used by the Village were evaluated based on the provisions of GASB Statement No. 54. The following funds were determined to not meet the new fund type classification for special revenue funds. As a result the funds have been combined with the General Fund; therefore, a reclassification was made to increase the beginning fund balance in the General Fund and decrease the beginning fund balances in the following funds by:

<u>Reclassification to the General Fund:</u>	<u>Beginning Fund Balance</u>
Landmark Trees	\$ 142
Bosque	<u>51,259</u>
Total	<u>\$ 51,401</u>

Also, the Highway 528 Access A Fund was determined to not meet the new fund type classification for special revenue funds. As a result this fund has been combined with the Far Northwest Sector Fund; therefore, a reclassification was made to decrease the beginning fund balance in the Far Northwest Sector Fund and increase the beginning fund balance in the Highway 528 Access A Fund by the following amount:

<u>Reclassification to the Far Northwest Sector Fund:</u>	<u>Beginning Fund Balance</u>
Highway 528 Access A	\$( <u>70,789</u> )
Total	<u>\$( 70,789 )</u>

These changes had no impact on governmental activities as reported on the prior year Statement of Activities.

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

**Restatement** (continued)

The financial statements also reflect an adjustment resulting from a restatement of the beginning fund balances due to prior year uncollectible accounts receivable as follows:

Traffic Safety Fund	\$	1,774
Waste Water Project Fund		<u>11,466</u>
Total restatement	\$	<u>13,240</u>

## **SUPPLEMENTARY INFORMATION**



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## **SPECIAL REVENUE FUNDS**

**Local Government Corrections Fund** - This 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.

**Court AOC** – This Special Revenue Fund, authorized by State Statute Chapter 34, Section 9-12, is used to account for municipal court automation funds to purchase, maintain and operate a court automation system in the municipality's courts.

**Emergency Medical Service (EMS) Fund** - This 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** – This 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.

**Law Enforcement Protection Fund** – This 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** – This 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 Fund** - This 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** – This Special Revenue Fund accounts for revenues and expenditures per the Lodgers' Tax Ordinance 500 of the Village. Funds are restricted to the economic development of the Village.

**Economic Development** – A Special Revenue Fund that the Governing Body approved for the Wine & Quilt Festival and Corrales Mainstreet.

**Municipal Streets Fund** – This Special Revenue fund is used to account for a 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.

**Recreation Fund** – This Special Revenue Fund, authorized by State Statute (7-12-15) is used to account for operations and maintenance of the parks and other recreation type activities. Financing is provided by a cigarette tax, grants, interests on investments and miscellaneous revenues.

**FEMA-Fire Equipment** – This Special Revenue Fund is used to account for FEMA grant funds used to assist in protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards.

**Safe Routes to School** – This Special Revenue Fund is a grant to create a master plan for safe routes to school for school kids.

**Police Special Fund** – This Special Revenue Fund is used to account for assets seized during Task Force investigations under applicable Federal Statutes pursuant to the Attorney General’s Guidelines of Seized and Forfeited Property, authorized by a Memorandum of Understanding with the Drug Enforcement Administration (DEA).

**Public Safety Communication Equip Fund** – This Special Revenue Fund is used to account for legislative funding to purchase various equipment related to public safety.

**Mid-Rio Grande Valley** – This Special Revenue Fund is to account for the MOU with the MRGVTF for Federal funds used for narcotics investigations.

**Recycling Grant** – This Special Revenue Fund authorized by NMSA 1978, Sections 74-13-17 and 74-13-19, is a grant to abate illegal dumping sites, for processing, transportation or recycling of all recyclable materials and scrap tires.

**YCC Grant** – This Special Revenue Fund is a grant to plan, design, establish, and manage a Youth Conservation Corps Project in accordance with the NMYCC Act.

## CAPITAL PROJECT FUNDS

**Records Center** – This fund is for legislative appropriation to be used to restructure a room in the public works building to store the Village’s records.

**Farmland Preservation** – This fund is to account for the funding received under the Cooperative Agreement authorized by the Commodity Credit Charter Act, 15 U.S.C. 714 et seq.; Title II, Subtitle F, Section 2503 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171), and Title VII, Section 714 of the Agricultural, Rural Development, Food and Drug Administration, and related Agencies Appropriation Act of 2001 (Public Law 106-387). Funds are to be used to acquire agricultural conversion easements so that such areas are protected from conversion to nonagricultural uses.

**Road Co-op** – This fund is to account for 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.

**Public Safety Facilities** – This fund is authorized by the Laws of 2007, Chapter 42, Section 68, Paragraph 599, to purchase, renovate, plan, design, and construct a public safety facility, including land acquisition, for the police and animal control departments in Corrales.

**Loma Larga** – This fund is to account for legislative appropriations used to construct Loma Larga.

**Residential Roads and Drainage** – This fund is to account for the legislative appropriation to be used to create a lighted access road from the Village of Corrales to the City of Rio Rancho at the intersection of Northern Blvd and Highway 528.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue			
	Corrections	Court AOC	EMS	Fire Protection
<b>ASSETS</b>				
Cash	\$ 274,221	\$ 1,900	\$ 1,111	\$ 115,463
Accounts receivable	-	15	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Cash - restricted	-	-	-	-
<b>Total assets</b>	<u>\$ 274,221</u>	<u>\$ 1,915</u>	<u>\$ 1,111</u>	<u>\$ 115,463</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,206	\$ 1,915	\$ 295	\$ 13,303
Accrued payroll liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>1,206</u>	<u>1,915</u>	<u>295</u>	<u>13,303</u>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	273,015	-	816	102,160
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>273,015</u>	<u>-</u>	<u>816</u>	<u>102,160</u>
<b>Total liabilities and fund balances</b>	<u>\$ 274,221</u>	<u>\$ 1,915</u>	<u>\$ 1,111</u>	<u>\$ 115,463</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>	<u>Recreation</u>
\$ 451	\$ 11,341	\$ 111,791	\$ 6,228	\$ 537	\$ -	\$ 3,270
-	2,535	-	-	10,256	-	-
-	-	4,667	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 451</u>	<u>\$ 13,876</u>	<u>\$ 116,458</u>	<u>\$ 6,228</u>	<u>\$ 10,793</u>	<u>\$ -</u>	<u>\$ 3,270</u>
\$ 490	\$ -	\$ 87	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>490</u>	<u>-</u>	<u>87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	4,667	-	-	-	-
-	13,876	111,704	6,228	10,793	-	3,270
-	-	-	-	-	-	-
<u>( 39)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>( 39)</u>	<u>13,876</u>	<u>116,371</u>	<u>6,228</u>	<u>10,793</u>	<u>-</u>	<u>3,270</u>
<u>\$ 451</u>	<u>\$ 13,876</u>	<u>\$ 116,458</u>	<u>\$ 6,228</u>	<u>\$ 10,793</u>	<u>\$ -</u>	<u>\$ 3,270</u>

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Special Revenue</b>			
	<b>FEMA-Fire Equipment</b>	<b>Safe Routes to School</b>	<b>Police Special</b>	<b>Public Safety Communication Equipment</b>
<b>ASSETS</b>				
Cash	\$ 3,567	\$ 4,901	\$ 129,390	\$ -
Accounts receivable	-	-	2,485	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	810	189
Cash - restricted	-	-	-	-
<b>Total assets</b>	<b><u>\$ 3,567</u></b>	<b><u>\$ 4,901</u></b>	<b><u>\$ 132,685</u></b>	<b><u>\$ 189</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 2,715	\$ -
Accrued payroll liabilities	-	-	449	-
Deferred revenues	-	-	-	-
Due to other funds	-	1,303	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>1,303</u></b>	<b><u>3,164</u></b>	<b><u>-</u></b>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	3,567	3,598	129,521	189
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b><u>3,567</u></b>	<b><u>3,598</u></b>	<b><u>129,521</u></b>	<b><u>189</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 3,567</u></b>	<b><u>\$ 4,901</u></b>	<b><u>\$ 132,685</u></b>	<b><u>\$ 189</u></b>

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

<b>Special Revenue</b>				<b>Capital Projects</b>		
<b>Mid-Rio Grande Valley</b>	<b>Recycling Grant</b>	<b>YCC Grant</b>	<b>Total</b>	<b>Records Center</b>	<b>Farmland Preservation</b>	<b>Road CO-OP</b>
\$ 35,874	\$ -	\$ -	\$ 700,045	\$ -	\$ 277,683	\$ 2,864
2,973	-	20,002	38,266	10,000	-	-
-	-	-	4,667	-	-	-
79,633	-	-	80,632	-	30,093	-
-	-	-	-	-	-	-
<u>\$ 118,480</u>	<u>\$ -</u>	<u>\$ 20,002</u>	<u>\$ 823,610</u>	<u>\$ 10,000</u>	<u>\$ 307,776</u>	<u>\$ 2,864</u>
\$ -	\$ -	\$ 215	20,226	\$ -	\$ 2,295	\$ ( 534)
-	-	-	449	-	-	-
-	-	-	-	5,823	-	-
<u>103,327</u>	<u>-</u>	<u>15,118</u>	<u>119,748</u>	<u>10,000</u>	<u>-</u>	<u>19,158</u>
<u>103,327</u>	<u>-</u>	<u>15,333</u>	<u>140,423</u>	<u>15,823</u>	<u>2,295</u>	<u>18,624</u>
-	-	-	4,667	-	-	-
15,153	-	4,669	678,559	-	-	-
-	-	-	-	-	305,481	-
-	-	-	( 39)	( 5,823)	-	( 15,760)
<u>15,153</u>	<u>-</u>	<u>4,669</u>	<u>683,187</u>	<u>( 5,823)</u>	<u>305,481</u>	<u>( 15,760)</u>
<u>\$ 118,480</u>	<u>\$ -</u>	<u>\$ 20,002</u>	<u>\$ 823,610</u>	<u>\$ 10,000</u>	<u>\$ 307,776</u>	<u>\$ 2,864</u>



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Capital Projects</b>			<b>Total</b>
	<b>Public Safety Facilities</b>	<b>Loma Larga</b>	<b>Residential Roads and Drainage</b>	
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 280,547
Accounts receivable	10,000	-	-	20,000
Prepaid expenses	-	-	-	-
Due from other funds	-	65,853	-	95,946
Cash - restricted	-	-	-	-
<b>Total assets</b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 65,853</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 396,493</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,761
Accrued payroll liabilities	-	-	-	-
Deferred revenues	-	-	-	5,823
Due to other funds	10,000	7,460	129	46,747
<b>Total liabilities</b>	<b><u>10,000</u></b>	<b><u>7,460</u></b>	<b><u>129</u></b>	<b><u>54,331</u></b>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	-	-	-	-
Capital projects	-	58,393	-	363,874
Unassigned	-	-	( 129)	( 21,712)
<b>Total fund balances</b>	<b><u>-</u></b>	<b><u>58,393</u></b>	<b><u>( 129)</u></b>	<b><u>342,162</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 65,853</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 396,493</u></b>

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

**Nonmajor  
Governmental  
Funds**

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\$ 980,592  
58,266  
4,667  
176,578  
-  
\$ 1,220,103

\$ 21,987  
449  
5,823  
166,495  
194,754

4,667  
678,559  
363,874  
( 21,751)  
1,025,349  
\$ 1,220,103

**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, 2011**

	<u>Special Revenue</u>			
	<u>Correction</u>	<u>Court AOC</u>	<u>EMS</u>	<u>Fire Protection</u>
<b>REVENUES</b>				
Taxes:				
State-shared	\$ -	\$ -	\$ -	\$ -
Lodgers'	-	-	-	-
Intergovernmental	-	10,223	9,346	230,877
Charges for services	-	-	-	-
Fines and forfeitures	54,282	-	-	-
Interest income	-	-	-	-
Miscellaneous	139	-	1,940	-
<b>Total revenues</b>	<u>54,421</u>	<u>10,223</u>	<u>11,286</u>	<u>230,877</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	-
Public safety	30,496	2,718	12,312	147,877
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>	-	-	-	23,455
<b>Total expenditures</b>	<u>30,496</u>	<u>2,718</u>	<u>12,312</u>	<u>171,332</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>23,925</u>	<u>7,505</u>	<u>( 1,026)</u>	<u>59,545</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>23,925</u>	<u>7,505</u>	<u>( 1,026)</u>	<u>59,545</u>
<b>Fund balances, beginning of year</b>	249,090	( 7,505)	1,842	42,615
Restatement	-	-	-	-
<b>Fund balances, as restated</b>	<u>249,090</u>	<u>( 7,505)</u>	<u>1,842</u>	<u>42,615</u>
<b>Fund balances, end of year</b>	<u>\$ 273,015</u>	<u>\$ -</u>	<u>\$ 816</u>	<u>\$ 102,160</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>	<u>Recreation</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,273	\$ 16
-	-	-	5,972	-	-	-
33,200	16,378	21,681	-	36,915	-	-
-	108	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,000	-	-	-	3,000
<u>33,200</u>	<u>16,486</u>	<u>27,681</u>	<u>5,972</u>	<u>36,915</u>	<u>10,273</u>	<u>3,016</u>
-	-	-	-	-	-	-
7,545	13,663	-	-	-	-	-
-	-	-	-	-	-	-
-	-	47,256	4,743	15,000	-	2,854
-	-	-	-	-	-	-
25,694	-	50,038	-	31,122	-	-
<u>33,239</u>	<u>13,663</u>	<u>97,294</u>	<u>4,743</u>	<u>46,122</u>	<u>-</u>	<u>2,854</u>
( 39)	2,823	( 69,613)	1,229	( 9,207)	10,273	162
-	-	-	-	20,000	-	-
-	-	-	-	-	( 10,273)	-
-	-	-	-	20,000	( 10,273)	-
( 39)	2,823	( 69,613)	1,229	10,793	-	162
-	12,827	185,984	4,999	-	-	3,108
-	( 1,774)	-	-	-	-	-
-	11,053	185,984	4,999	-	-	3,108
<u>\$( 39)</u>	<u>\$ 13,876</u>	<u>\$ 116,371</u>	<u>\$ 6,228</u>	<u>\$ 10,793</u>	<u>\$ -</u>	<u>\$ 3,270</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, 2011**

	<u>Special Revenue</u>			
	<u>FEMA-Fire Equipment</u>	<u>Safe Routes to School</u>	<u>Police Special</u>	<u>Public Safety Communication Equipment</u>
<b>REVENUES</b>				
Taxes:				
State-shared	\$ -	\$ -	\$ -	\$ -
Lodgers	-	-	-	-
Intergovernmental	55,449	-	121,402	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	10,822	-
<b>Total revenues</b>	<u>55,449</u>	<u>-</u>	<u>132,224</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	-
Public safety	51,882	-	65,433	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>				
	-	-	69,867	-
<b>Total expenditures</b>	<u>51,882</u>	<u>-</u>	<u>135,300</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,567</u>	<u>-</u>	<u>( 3,076)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>3,567</u>	<u>-</u>	<u>( 3,076)</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	-	3,598	132,597	189
Restatement	-	-	-	-
<b>Fund balances, as restated</b>	<u>-</u>	<u>3,598</u>	<u>132,597</u>	<u>189</u>
<b>Fund balances, end of year</b>	<u>\$ 3,567</u>	<u>\$ 3,598</u>	<u>\$ 129,521</u>	<u>\$ 189</u>

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

Mid-Rio Grande Valley	Special Revenue			Capital Projects		
	Recycling Grant	YCC Grant	Total	Records Center	Farmland Preservation	Road CO-OP
\$ -	\$ -	\$ -	\$ 10,289	\$ -	\$ -	\$ -
-	-	-	5,972	-	-	-
81,300	20,500	20,002	657,273	4,176	-	82,500
-	-	-	108	-	-	-
-	-	-	54,282	-	-	-
-	-	-	-	-	511	-
-	-	-	21,901	-	-	-
<u>81,300</u>	<u>20,500</u>	<u>20,002</u>	<u>749,825</u>	<u>4,176</u>	<u>511</u>	<u>82,500</u>
-	-	-	-	4,176	-	-
75,743	-	-	407,669	-	-	-
-	20,500	15,333	35,833	-	5,284	-
-	-	-	69,853	-	-	-
-	-	-	-	-	-	-
-	-	-	200,176	-	-	110,000
<u>75,743</u>	<u>20,500</u>	<u>15,333</u>	<u>713,531</u>	<u>4,176</u>	<u>5,284</u>	<u>110,000</u>
<u>5,557</u>	<u>-</u>	<u>4,669</u>	<u>36,294</u>	<u>-</u>	<u>( 4,773)</u>	<u>( 27,500)</u>
-	-	-	20,000	-	1,250	30,898
-	-	-	( 10,273)	-	-	-
-	-	-	9,727	-	1,250	30,898
<u>5,557</u>	<u>-</u>	<u>4,669</u>	<u>46,021</u>	<u>-</u>	<u>( 3,523)</u>	<u>3,398</u>
9,596	-	-	638,940	( 5,823)	309,004	( 19,158)
-	-	-	( 1,774)	-	-	-
<u>9,596</u>	<u>-</u>	<u>-</u>	<u>637,166</u>	<u>( 5,823)</u>	<u>309,004</u>	<u>( 19,158)</u>
<u>\$ 15,153</u>	<u>\$ -</u>	<u>\$ 4,669</u>	<u>\$ 683,187</u>	<u>\$ ( 5,823)</u>	<u>\$ 305,481</u>	<u>\$ ( 15,760)</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, 2011**

	<b>Capital Projects</b>			<b>Total</b>
	<b>Public Safety Facilities</b>	<b>Loma Larga</b>	<b>Residential Roads and Drainage</b>	
<b>REVENUES</b>				
Taxes:				
State-shared	\$ -	\$ -	\$ -	\$ -
Lodgers	-	-	-	-
Intergovernmental	10,000	-	87,182	183,858
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	511
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>10,000</u>	<u>-</u>	<u>87,182</u>	<u>184,369</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	4,176
Public safety	767	-	-	767
Public works	-	7,460	87,311	100,055
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>	-	-	-	110,000
<b>Total expenditures</b>	<u>767</u>	<u>7,460</u>	<u>87,311</u>	<u>214,998</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>9,233</u>	<u>( 7,460)</u>	<u>( 129)</u>	<u>( 30,629)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	32,148
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,148</u>
<b>Net change in fund balances</b>	<u>9,233</u>	<u>( 7,460)</u>	<u>( 129)</u>	<u>1,519</u>
<b>Fund balances, beginning of year</b>	( 9,233)	65,853	-	340,643
Restatement	-	-	-	-
<b>Fund balances, as restated</b>	<u>( 9,233)</u>	<u>65,853</u>	<u>-</u>	<u>340,643</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 58,393</u>	<u>\$( 129)</u>	<u>\$ 342,162</u>

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

**Nonmajor  
Governmental  
Funds**

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\$ 10,289  
5,972  
841,131  
108  
54,282  
511  
21,901  
934,194

4,176  
408,436  
135,888  
69,853

-  
310,176  
928,529

5,665

52,148  
(10,273)  
41,875

47,540

979,583  
(1,774)  
977,809

\$ 1,025,349



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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
CORRECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Fines and forfeitures	\$ 74,200	\$ 74,200	\$ 54,282	\$( 19,918)
Miscellaneous	-	-	139	139
<b>Total revenues</b>	<u>74,200</u>	<u>74,200</u>	<u>54,421</u>	<u>( 19,779)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>74,200</u>	<u>74,200</u>	<u>30,496</u>	<u>43,704</u>
<b>Total expenditures</b>	<u>74,200</u>	<u>74,200</u>	<u>30,496</u>	<u>43,704</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>23,925</u>	<u>23,925</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,925</u>	<u>\$ 23,925</u>
Beginning cash balance	<u>\$ 249,090</u>	<u>\$ 249,090</u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COURT AOC FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 12,233	\$ 12,233	\$ 10,223	\$( 2,010)
<b>Total revenues</b>	<u>12,233</u>	<u>12,233</u>	<u>10,223</u>	<u>( 2,010)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>12,233</u>	<u>12,233</u>	<u>2,718</u>	<u>9,515</u>
<b>Total expenditures</b>	<u>12,233</u>	<u>12,233</u>	<u>2,718</u>	<u>9,515</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>7,505</u>	<u>7,505</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,505</u>	<u>\$ 7,505</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  
EMS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 9,250	\$ 9,250	\$ 9,346	\$ 96
Miscellaneous	-	1,940	1,940	-
<b>Total revenues</b>	<u>9,250</u>	<u>11,190</u>	<u>11,286</u>	<u>96</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	9,250	11,190	12,312	( 1,122)
<b>Total expenditures</b>	<u>9,250</u>	<u>11,190</u>	<u>12,312</u>	<u>( 1,122)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>( 1,026)</u>	<u>( 1,026)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$( 1,026)</u>	<u>\$( 1,026)</u>
Beginning cash balance	<u>\$ 1,842</u>	<u>\$ 1,842</u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 166,503	\$ 214,566	\$ 230,877	\$ 16,311
<b>Total revenues</b>	<u>166,503</u>	<u>214,566</u>	<u>230,877</u>	<u>16,311</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	163,503	246,101	147,877	98,224
<b>Capital outlay:</b>	<u>3,000</u>	<u>49,911</u>	<u>23,455</u>	<u>26,456</u>
<b>Total expenditures</b>	<u>166,503</u>	<u>296,012</u>	<u>171,332</u>	<u>124,680</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>( 81,446)</u>	<u>59,545</u>	<u>140,991</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ ( 81,446)</u>	<u>\$ 59,545</u>	<u>\$ 140,991</u>
Beginning cash balance	<u>\$ 28,641</u>	<u>\$ 28,641</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 33,200	\$ -
<b>Total revenues</b>	<u>33,200</u>	<u>33,200</u>	<u>33,200</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	-	1,906	7,545	( 5,639)
<b>Capital outlay:</b>	<u>33,200</u>	<u>31,294</u>	<u>25,694</u>	<u>5,600</u>
<b>Total expenditures</b>	<u>33,200</u>	<u>33,200</u>	<u>33,239</u>	<u>( 39)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>( 39)</u>	<u>( 39)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ ( 39)</u>	<u>\$ ( 39)</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  
TRAFFIC SAFETY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 15,500	\$ 15,500	\$ 16,378	\$ 878
Charges for services	-	-	108	108
<b>Total revenues</b>	<u>15,500</u>	<u>15,500</u>	<u>16,486</u>	<u>986</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>15,500</u>	<u>15,500</u>	<u>13,663</u>	<u>1,837</u>
<b>Total expenditures</b>	<u>15,500</u>	<u>15,500</u>	<u>13,663</u>	<u>1,837</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>2,823</u>	<u>2,823</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,823</u>	<u>\$ 2,823</u>
Beginning cash balance	<u>\$ 27,311</u>	<u>\$ 27,311</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 16,456	\$ 30,661	\$ 21,681	\$( 8,980)
Miscellaneous	-	-	6,000	6,000
<b>Total revenues</b>	<u>16,456</u>	<u>30,661</u>	<u>27,681</u>	<u>( 2,980)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	82,418	97,023	47,256	49,767
<b>Capital outlay:</b>	<u>50,038</u>	<u>50,038</u>	<u>50,038</u>	<u>-</u>
<b>Total expenditures</b>	<u>132,456</u>	<u>147,061</u>	<u>97,294</u>	<u>49,767</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 116,000)</u>	<u>( 116,400)</u>	<u>( 69,613)</u>	<u>46,787</u>
<b>Net change in fund balances</b>	<u>\$( 116,000)</u>	<u>\$( 116,400)</u>	<u>\$( 69,613)</u>	<u>\$ 46,787</u>
Beginning cash balance	<u>\$ 187,132</u>	<u>\$ 187,132</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Lodgers'	\$ 3,600	\$ 3,600	\$ 5,972	\$ 2,372
<b>Total revenues</b>	<u>3,600</u>	<u>3,600</u>	<u>5,972</u>	<u>2,372</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	<u>6,000</u>	<u>6,000</u>	<u>4,743</u>	<u>1,257</u>
<b>Total expenditures</b>	<u>6,000</u>	<u>6,000</u>	<u>4,743</u>	<u>1,257</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 2,400)</u>	<u>( 2,400)</u>	<u>1,229</u>	<u>3,629</u>
<b>Net change in fund balances</b>	<u>\$( 2,400)</u>	<u>\$( 2,400)</u>	<u>\$ 1,229</u>	<u>\$ 3,629</u>
Beginning cash balance	<u>\$ 4,999</u>	<u>\$ 4,999</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 36,915	\$( 83,085)
<b>Total revenues</b>	<u>120,000</u>	<u>120,000</u>	<u>36,915</u>	<u>( 83,085)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	114,878	114,878	15,000	99,878
<b>Capital outlay:</b>	<u>31,122</u>	<u>31,122</u>	<u>31,122</u>	<u>-</u>
<b>Total expenditures</b>	<u>146,000</u>	<u>146,000</u>	<u>46,122</u>	<u>99,878</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 26,000)</u>	<u>( 26,000)</u>	<u>( 9,207)</u>	<u>16,793</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>21,000</u>	<u>20,000</u>	<u>( 1,000)</u>
<b>Total other financing     sources (uses)</b>	<u>-</u>	<u>21,000</u>	<u>20,000</u>	<u>( 1,000)</u>
<b>Net change in fund balances</b>	<u><u>\$( 26,000)</u></u>	<u><u>\$( 5,000)</u></u>	<u><u>\$ 10,793</u></u>	<u><u>\$ 15,793</u></u>
Beginning cash balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
MUNICIPAL STREET FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
State-shared	\$ 26,000	\$ 26,000	\$ 10,273	\$( 15,727)
<b>Total revenues</b>	<u>26,000</u>	<u>26,000</u>	<u>10,273</u>	<u>( 15,727)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>26,000</u>	<u>26,000</u>	<u>10,273</u>	<u>( 15,727)</u>
<b>Other financing sources (uses):</b>				
Transfers out	( 26,000)	-	( 10,273)	( 10,273)
<b>Total other financing     sources (uses)</b>	<u>( 26,000)</u>	<u>-</u>	<u>( 10,273)</u>	<u>( 10,273)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$( 26,000)</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  
RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
State-shared	\$ -	\$ -	\$ 16	\$ 16
Miscellaneous	-	3,000	3,000	-
<b>Total revenues</b>	<u>-</u>	<u>3,000</u>	<u>3,016</u>	<u>16</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	-	3,000	2,854	146
<b>Total expenditures</b>	<u>-</u>	<u>3,000</u>	<u>2,854</u>	<u>146</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>162</u>	<u>162</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 162</u>
Beginning cash balance	<u>\$ 3,108</u>	<u>\$ 3,108</u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
FEMA-FIRE EQUIPMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 94,050	\$ 55,449	\$( 38,601)
<b>Total revenues</b>	<u>-</u>	<u>94,050</u>	<u>55,449</u>	<u>( 38,601)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	-	99,000	51,882	47,118
<b>Total expenditures</b>	<u>-</u>	<u>99,000</u>	<u>51,882</u>	<u>47,118</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>( 4,950)</u>	<u>3,567</u>	<u>8,517</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	4,950	-	( 4,950)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>4,950</u>	<u>-</u>	<u>( 4,950)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,567</u>	<u>\$ 3,567</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 36,000	\$ 148,346	\$ 121,402	\$( 26,944)
Miscellaneous	<u>2,500</u>	<u>4,500</u>	<u>10,822</u>	<u>6,322</u>
<b>Total revenues</b>	<u>38,500</u>	<u>152,846</u>	<u>132,224</u>	<u>( 20,622)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	95,000	127,777	65,433	62,344
<b>Capital outlay:</b>	<u>2,000</u>	<u>83,569</u>	<u>69,867</u>	<u>13,702</u>
<b>Total expenditures</b>	<u>97,000</u>	<u>211,346</u>	<u>135,300</u>	<u>76,046</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 58,500)</u>	<u>( 58,500)</u>	<u>( 3,076)</u>	<u>55,424</u>
<b>Net change in fund balances</b>	<u>\$( 58,500)</u>	<u>\$( 58,500)</u>	<u>\$( 3,076)</u>	<u>\$ 55,424</u>
Beginning cash balance	<u>\$ 191,604</u>	<u>\$ 191,604</u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
MID-RIO GRANDE VALLEY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 85,788	\$ 85,788	\$ 81,300	\$( 4,488)
<b>Total revenues</b>	<u>85,788</u>	<u>85,788</u>	<u>81,300</u>	<u>( 4,488)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	85,788	85,788	75,743	10,045
<b>Total expenditures</b>	<u>85,788</u>	<u>85,788</u>	<u>75,743</u>	<u>10,045</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>5,557</u>	<u>5,557</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,557</u>	<u>\$ 5,557</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  
RECYCLING GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 20,500	\$ 20,500	\$ -
<b>Total revenues</b>	<u>-</u>	<u>20,500</u>	<u>20,500</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	-	20,500	20,500	-
<b>Total expenditures</b>	<u>-</u>	<u>20,500</u>	<u>20,500</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<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  
YCC GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 70,053	\$ 20,002	\$( 50,051)
<b>Total revenues</b>	<u>-</u>	<u>70,053</u>	<u>20,002</u>	<u>( 50,051)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	-	70,053	15,333	54,720
<b>Total expenditures</b>	<u>-</u>	<u>70,053</u>	<u>15,333</u>	<u>54,720</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>4,669</u>	<u>4,669</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,669</u>	<u>\$ 4,669</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  
FAR NORTHWEST SECTOR FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 380,000	\$ 620,360	\$ 619,931	\$( 429)
Charges for services	20,000	20,000	-	( 20,000)
Interest on investments	-	-	565	565
<b>Total revenues</b>	<u>400,000</u>	<u>640,360</u>	<u>620,496</u>	<u>( 19,864)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	9,345	9,345	9,345	-
<b>Debt service:</b>				
Interest and fiscal charges	31,113	31,113	51,434	( 20,321)
<b>Capital outlay:</b>	<u>380,000</u>	<u>1,084,801</u>	<u>908,485</u>	<u>176,316</u>
<b>Total expenditures</b>	<u>420,458</u>	<u>1,125,259</u>	<u>969,264</u>	<u>155,995</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 20,458)</u>	<u>( 484,899)</u>	<u>( 348,768)</u>	<u>136,131</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	113,453	-	( 113,453)
Loan proceeds	-	350,988	993,178	642,190
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>350,988</u>	<u>993,178</u>	<u>642,190</u>
<b>Net change in fund balances</b>	<u>\$( 20,458)</u>	<u>\$( 133,911)</u>	<u>\$ 644,410</u>	<u>\$ 778,321</u>
Beginning cash balance	<u>\$ 471,643</u>	<u>\$ 471,643</u>		

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
WASTE WATER PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,169,987	\$ 581,235	\$ 167,241	\$( 413,994)
<b>Total revenues</b>	<u>1,169,987</u>	<u>581,235</u>	<u>167,241</u>	<u>( 413,994)</u>
<b>EXPENDITURES</b>				
Capital outlay:	<u>1,169,987</u>	<u>581,235</u>	<u>98,390</u>	<u>482,845</u>
<b>Total expenditures</b>	<u>1,169,987</u>	<u>581,235</u>	<u>98,390</u>	<u>482,845</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>68,851</u>	<u>68,851</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,851</u>	<u>\$ 68,851</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  
RECORD CENTER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 8,400	\$ 1,424	\$ 4,176	\$ 2,752
<b>Total revenues</b>	<u>8,400</u>	<u>1,424</u>	<u>4,176</u>	<u>2,752</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	8,400	1,424	4,176	( 2,752)
<b>Total expenditures</b>	<u>8,400</u>	<u>1,424</u>	<u>4,176</u>	<u>( 2,752)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<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  
FARMLAND PRESERVATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 511	\$ 511
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>511</u>	<u>511</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	<u>5,000</u>	<u>5,000</u>	<u>5,284</u>	<u>( 284)</u>
<b>Total expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>5,284</u>	<u>( 284)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 5,000)</u>	<u>( 5,000)</u>	<u>( 4,773)</u>	<u>227</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>5,000</u>	<u>1,250</u>	<u>( 3,750)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>5,000</u>	<u>1,250</u>	<u>( 3,750)</u>
<b>Net change in fund balances</b>	<u>\$( 5,000)</u>	<u>\$ -</u>	<u>\$( 3,523)</u>	<u>\$( 3,523)</u>
Beginning cash balance	<u>\$ 279,111</u>	<u>\$ 279,111</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 82,500	\$ 82,500	\$ 82,500	\$ -
<b>Total revenues</b>	<u>82,500</u>	<u>82,500</u>	<u>82,500</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital outlay:	<u>136,000</u>	<u>136,000</u>	<u>110,000</u>	<u>26,000</u>
<b>Total expenditures</b>	<u>136,000</u>	<u>136,000</u>	<u>110,000</u>	<u>26,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 53,500)</u>	<u>( 53,500)</u>	<u>( 27,500)</u>	<u>26,000</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>53,500</u>	<u>53,500</u>	<u>30,898</u>	<u>( 22,602)</u>
<b>Total other financing sources (uses)</b>	<u>53,500</u>	<u>53,500</u>	<u>30,898</u>	<u>( 22,602)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,398</u>	<u>\$ 3,398</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 FACILITIES FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 7,578	\$ 7,129	\$ 10,000	\$ 2,871
<b>Total revenues</b>	<u>7,578</u>	<u>7,129</u>	<u>10,000</u>	<u>2,871</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	3,789	7,129	767	6,362
<b>Capital outlay:</b>	<u>3,789</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>7,578</u>	<u>7,129</u>	<u>767</u>	<u>6,362</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>9,233</u>	<u>9,233</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,233</u>	<u>\$ 9,233</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 (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 51,000	\$ 51,000	\$ -	\$( 51,000)
<b>Total revenues</b>	<u>51,000</u>	<u>51,000</u>	<u>-</u>	<u>( 51,000)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	51,000	51,000	7,460	43,540
<b>Total expenditures</b>	<u>51,000</u>	<u>51,000</u>	<u>7,460</u>	<u>43,540</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>( 7,460)</u>	<u>( 7,460)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$( 7,460)</u>	<u>\$( 7,460)</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  
RESIDENTIAL ROADS AND DRAINAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 87,182	\$ 87,182	\$ -
<b>Total revenues</b>	<u>-</u>	<u>87,182</u>	<u>87,182</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	-	87,182	87,311	( 129)
<b>Total expenditures</b>	<u>-</u>	<u>87,182</u>	<u>87,311</u>	<u>( 129)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>( 129)</u>	<u>( 129)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ ( 129)</u>	<u>\$ ( 129)</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  
GENERAL OBLIGATIONS BOND FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 213,000	\$ 213,000	\$ 231,793	\$ 18,793
<b>Total revenues</b>	<u>213,000</u>	<u>213,000</u>	<u>231,793</u>	<u>18,793</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	2,200	2,200	3,318	( 1,118)
<b>Debt service:</b>				
Principal retirement	175,000	175,000	175,000	-
Interest and fiscal charges	<u>54,500</u>	<u>54,500</u>	<u>57,124</u>	<u>( 2,624)</u>
<b>Total expenditures</b>	<u>231,700</u>	<u>231,700</u>	<u>235,442</u>	<u>( 3,742)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 18,700)</u>	<u>( 18,700)</u>	<u>( 3,649)</u>	<u>15,051</u>
<b>Net change in fund balances</b>	<u>\$( 18,700)</u>	<u>\$( 18,700)</u>	<u>\$( 3,649)</u>	<u>\$ 15,051</u>
Beginning cash balance	<u>\$ 463,373</u>	<u>\$ 463,373</u>		

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

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## **OTHER SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO**  
**VILLAGE OF CORRALES**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**JUNE 30, 2011**

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<b>ASSETS</b>				
Cash	\$ 1,238	\$ 9,855	\$ (9,296)	\$ 1,797
<b>Total assets</b>	<u>\$ 1,238</u>	<u>\$ 9,855</u>	<u>\$ (9,296)</u>	<u>\$ 1,797</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,238	\$ 9,855	\$ (9,296)	1,797
<b>Total liabilities</b>	<u>\$ 1,238</u>	<u>\$ 9,855</u>	<u>\$ (9,296)</u>	<u>\$ 1,797</u>

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



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**

Philip 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 and related budgetary comparisons presented as supplemental information of the Village of Corrales, New Mexico (Village), as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting as item 2011-B. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, 2011-A and 2011-C.

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

This report is intended solely for the information and use of management, the Village Council, others within the entity, the State Auditor, the New Mexico Legislature, the 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, L.L.P.  
Albuquerque, New Mexico  
November 21, 2011



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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2011**

**Section II – Financial Statement Findings**

**Prior Year**

2007-A	Excess of Expenditures Over Budget – Repeated and Modified
2009-A	Audit Report Due Date – Resolved
2009-B	Grant Monitoring and Reporting – Resolved

**Current Year**

2007-A	Excess of Expenditures Over Budget – Repeated and Modified
2011-A	Mileage Reimbursement
2011-B	Accounts Receivable Reconciliation
2011-C	Budget Deficit in Excess of Cash

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2011**

**2007-A**                      **Excess of Expenditures Over Budget – Repeated and Modified**  
**(significant deficiency)**

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

EMS Fund	\$ 1,122
Law Enforcement Protection Fund	39
Municipal Street Fund	10,273
Records Center Fund	2,752
Farmland Preservation Fund	284
Residential Roads Fund	129
General Obligations Bond Fund	3,742

**Criteria:**                      6-6-6 NMSA 1978 requires that the Village keep expenditures within the budgeted amounts. NMAC 2.2.2.10 P(1) requires a finding when actual expenditures exceed budgeted expenditures.

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

**Cause:**                      The Village over spent their budget in the fund noted above and did not apply for budget adjustment requests 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.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2011**

**2011-A**                      **Mileage Reimbursement**  
**(significant deficiency)**

**Condition:**                      The Village over reimbursed on two mileage reimbursements. Total amount over reimbursed \$64.07.

**Criteria:**                      NMAC 2.42.2.11 (B)(1) states that “the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the Internal Revenue Service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

**Effect:**                      The Village reimbursed two people more than the State Statute and Administrative Code allowed.

**Cause:**                      The Village was not following state regulations for mileage reimbursements. They were using the full Internal Revenue Service rate set January 1, 2011, of \$.51 per mile.

**Recommendation:**                      The Village should review the State Statute, Administrative Code and Internal Revenue Service rates yearly and adjust accordingly.

**Response:**                      The Village agrees with this recommendation.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2011**

**2011-B**                    **Accounts Receivable Reconciliation**  
**(significant deficiency)**

**Condition:**            The Village is not reconciling the subsidiary ledger for business licenses accounts receivable to the general ledger. The accounts receivable were understated by \$4,015. The Village is not monitoring their accounts receivable accounts resulting in a large number of old items.

**Criteria:**            The New Mexico State Statute, Section 6-6-3 (A) NMSA 1978, requires the Village to “keep all books, records and accounts in their respective offices in the form prescribed by the local government division.”

**Effect:**              Receivables and related revenue in the amount of \$4,015 were understated on the general ledger.

**Cause:**                The subsidiary ledger is being maintained in separate software and the general ledger is not being updated with the necessary information.

**Recommendation:** The Village should make the appropriate changes to ensure that the general ledger is reconciled.

**Response:**            The Village agrees with this recommendation.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2011**

**2011-C**                      **Budget Deficit in Excess of Cash**  
**(significant deficiency)**

**Condition:**                      The Village’s final approved budgets include deficits that exceed the beginning cash balances for the following funds:

Fund	Budget Deficit in Excess of Cash
Fire Protection	\$(        52,805)
Economic Development	(            5,000)

**Criteria:**                      The New Mexico State Statute, Section 6-6-11 NMSA 1978, states “it is unlawful for any municipal governing body for any purpose whatever to become indebted or contract any debts of any kind or nature whatsoever during any current year which, at the end of such current year, is not and cannot be paid out of the money actually collected and belonging to that current year.”

**Effect:**                      The Village’s final approved budget included expenditures in excess of revenues and the beginning cash balance, in violation of state statutes. Expenditures budgeted in excess of available cash balances increase the likelihood of the Village overspending.

**Cause:**                      The Village inadvertently budgeted expenditures that exceeded the beginning cash balances, and anticipated revenues.

**Recommendation:**      The Village should review available cash balances when preparing the budget, to ensure that they have the funds available.

**Response:**                      The Village agrees with this recommendation.

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
EXIT CONFERENCE  
JUNE 30, 2011**

**EXIT CONFERENCE**

An exit conference was held on November 21, 2011 at the Village's offices. In attendance were Philip Gasteyer, Mayor; John Avila, Village Administrator; and Terri Gray, Finance Director from the Village of Corrales. Cynthia James, CPA, and Regina Gordon, CPA were in attendance for Pattillo, Brown & Hill, L.L.P.

**PREPARATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report have been prepared by the auditors, Pattillo, Brown, and Hill, L.L.C., Certified Public Accountants; however the financial statements are the responsibility of the management.