

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
AUDIT REPORT  
JUNE 30, 2012**



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
JUNE 30, 2012**

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
JUNE 30, 2012**

**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
Hoyt Hart	Councilor
Jim Fahey	Councilor
Mick Harper	Councilor

**Administrative Officials**

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

**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, 2012, 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, 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, 2012, 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 previously 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, 2012, 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 previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, of the Village as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the capital project funds, 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 29, 2012, 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.

Management has omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Pattillo, Brown & Hill LLP*

Pattillo, Brown & Hill, L.L.P.

Albuquerque, New Mexico

November 29, 2012

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,507,807
Receivables (net of allowance for uncollectibles)	572,867
Total current assets	3,080,674
Noncurrent assets	
Restricted cash	1,167,036
Other assets-bond issue costs	83,383
Capital assets not being depreciated	
Land	5,887,707
Water Rights	230,621
Construction in progress	3,557,714
Capital assets being depreciated, net	8,787,976
Total noncurrent assets	19,714,437
Total assets	22,795,111

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

**LIABILITIES**

## Current liabilities:

Accounts payable	369,790
Accrued payroll liabilities	112,301
Accrued interest payable	25,495
Current portion of long term debt	<u>229,762</u>
Total current liabilities	<u>737,348</u>

## Noncurrent liabilities:

Compensated absences	79,147
Bonds and notes less current portion	<u>3,583,964</u>
Total noncurrent liabilities	<u>3,663,111</u>

Total liabilities	<u>4,400,459</u>
-------------------	------------------

**NET ASSETS**

Invested in capital assets, net of related debt	14,624,797
Restricted for:	
Capital projects	1,168,967
Debt service	531,927
Unrestricted	<u>2,068,961</u>
Total net assets	<u>\$ 18,394,652</u>

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

<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	\$ 1,282,562	\$ 283,495	\$ 288,067	\$ -
Public Safety	2,102,809	76	348,334	115,558
Culture and Recreation	589,139	5,319	119,167	-
Public Works	753,415	-	100,705	1,084,055
Debt Service	128,976	-	-	-
Total Governmental Activities	<u>4,856,901</u>	<u>288,890</u>	<u>856,273</u>	<u>1,199,613</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

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

---

\$( 711,000)  
( 1,638,841)  
( 464,653)  
431,345  
( 128,976)  
( 2,512,125)

1,065,899

1,011,710

363,921

791,578

5,993

100,273

4,674

34,691

3,378,739

866,614

17,528,038

\$ 18,394,652

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<u>General Fund</u>	<u>Far North West Sector</u>	<u>Waste Water Project</u>
<b>ASSETS</b>			
Cash	\$ 1,106,476	\$ 147,775	\$ -
Accounts receivable (net of allowance for uncollectibles)	184,549	1,362	282,684
Due from other funds	262,388	-	-
Cash - restricted	<u>-</u>	<u>627,036</u>	<u>540,000</u>
<b>Total assets</b>	<u>\$ 1,553,413</u>	<u>\$ 776,173</u>	<u>\$ 822,684</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 28,399	\$ 73,236	\$ 253,726
Accrued payroll liabilities	96,019	-	-
Deferred revenue	36,147	-	279,134
Due to other funds	<u>-</u>	<u>11,408</u>	<u>224,499</u>
<b>Total liabilities</b>	<u>160,565</u>	<u>84,644</u>	<u>757,359</u>
<b>Fund balances:</b>			
Restricted for:			
Special revenue	-	-	-
Capital projects	-	464,821	65,325
Debt service	-	226,708	-
Unassigned	<u>1,392,848</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>1,392,848</u>	<u>691,529</u>	<u>65,325</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,553,413</u>	<u>\$ 776,173</u>	<u>\$ 822,684</u>

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

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,253,556	\$ 2,507,807
104,272	572,867
176,782	439,170
-	1,167,036
<u>\$ 1,534,610</u>	<u>\$ 4,686,880</u>
\$ 14,429	\$ 369,790
16,282	112,301
18,819	334,100
<u>203,263</u>	<u>439,170</u>
<u>252,793</u>	<u>1,255,361</u>
646,738	646,738
359,687	889,833
295,316	522,024
( 19,924)	<u>1,372,924</u>
<u>1,281,817</u>	<u>3,431,519</u>
<u>\$ 1,534,610</u>	<u>\$ 4,686,880</u>

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

Fund Balances - Total Governmental Funds	\$ 3,431,519
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Long term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and loan payable - current	(229,762)	
Bonds and loans - long term	(3,583,964)	
Bond issue costs (amortized over the life of debt)	83,383	
Accrued interest payable	(25,495)	
Compensated absences	<u>(79,147)</u>	( 3,834,985)

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

Governmental capital assets	28,929,970	
Less accumulated depreciation	<u>( 10,465,952)</u>	18,464,018

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

282,227

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

51,873

Change in net assets of governmental activities

\$ 18,394,652

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Far North West Sector</u>	<u>Waste Water Project</u>
<b>REVENUES</b>			
Taxes:			
Gross receipts	\$ 1,065,899	\$ -	\$ -
Property	992,264	-	-
Franchise	363,921	-	-
State-shared	786,155	-	-
Lodgers'	-	-	-
Licenses and permits	149,611	-	-
Intergovernmental:			
Federal grants	-	-	435,034
State grants	282,244	-	195,859
Charges for services	139,203	-	-
Fines and forfeitures	58,789	-	-
Interest on investments	753	3,469	-
Miscellaneous	18,593	-	-
<b>Total revenues</b>	<u>3,857,432</u>	<u>3,469</u>	<u>630,893</u>
<b>EXPENDITURES</b>			
<b>Current operations:</b>			
General government	957,253	-	-
Public safety	1,555,062	-	-
Public works	446,465	2,239	4,595
Culture and recreation	366,135	-	-
<b>Debt service:</b>			
Principal retirement	-	39,452	-
Interest and debt issuance costs	-	74,521	-
<b>Capital outlay</b>	<u>39,144</u>	<u>365,649</u>	<u>1,110,601</u>
<b>Total expenditures</b>	<u>3,364,059</u>	<u>481,861</u>	<u>1,115,196</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>493,373</u>	<u>( 478,392)</u>	<u>( 484,303)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	114,001	-
Transfers (out)	( 187,205)	-	-
Loan proceeds	-	-	540,000
<b>Total other financing sources (uses)</b>	<u>( 187,205)</u>	<u>114,001</u>	<u>540,000</u>
<b>Net change in fund balances</b>	306,168	( 364,391)	55,697
<b>Fund balances, beginning of year</b>	<u>1,086,680</u>	<u>1,055,920</u>	<u>9,628</u>
<b>Fund balances, end of year</b>	<u>\$ 1,392,848</u>	<u>\$ 691,529</u>	<u>\$ 65,325</u>

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

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,065,899
59,120	1,051,384
-	363,921
5,423	791,578
5,993	5,993
-	149,611
206,714	641,748
653,808	1,131,911
76	139,279
41,484	100,273
452	4,674
<u>16,098</u>	<u>34,691</u>
<u>989,168</u>	<u>5,480,962</u>
1,610	958,863
402,123	1,957,185
113,003	566,302
129,378	495,513
175,000	214,452
50,999	125,520
<u>397,596</u>	<u>1,912,990</u>
<u>1,269,709</u>	<u>6,230,825</u>
( 280,541)	( 749,863)
93,577	207,578
( 20,373)	( 207,578)
<u>-</u>	<u>540,000</u>
<u>73,204</u>	<u>540,000</u>
( 207,337)	( 209,863)
<u>1,489,154</u>	<u>3,641,382</u>
<u>\$ 1,281,817</u>	<u>\$ 3,431,519</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, 2012**

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

Net change in fund balances - total governmental funds	\$( 209,863)
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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.

Capital outlay	1,912,990
Depreciation expense	( 735,474)

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.

Principal retirements	214,452
Loan proceeds	( 540,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences - increase	( 3,621)
Amortization of bond issue costs	( 10,967)
Accrued interest -increase	( 3,456)

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.

242,553

Change in net assets of governmental activities	\$ <u><u>866,614</u></u>
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**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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Gross receipts	\$ 1,024,076	\$ 1,024,076	\$ 1,065,899	\$ 41,823
Property	938,586	938,586	992,264	53,678
Franchise	225,000	225,000	363,921	138,921
State-shared	800,300	800,300	786,155	( 14,145)
Licenses and permits	187,500	187,500	149,611	( 37,889)
Intergovernmental:				
State grants	559,309	559,309	282,244	( 277,065)
Charges for services	115,500	115,500	139,203	23,703
Fines and forfeitures	75,000	75,000	58,789	( 16,211)
Interest on investments	2,500	2,500	753	( 1,747)
Miscellaneous	<u>18,500</u>	<u>18,500</u>	<u>18,593</u>	<u>93</u>
<b>Total revenues</b>	<u>3,946,271</u>	<u>3,946,271</u>	<u>3,857,432</u>	<u>( 88,839)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	918,407	941,442	957,253	( 15,811)
Public safety	1,688,669	1,692,664	1,555,062	137,602
Culture and recreation	416,400	416,400	366,135	50,265
Public works	577,560	577,560	446,465	131,095
<b>Capital outlay:</b>	<u>39,200</u>	<u>39,200</u>	<u>39,144</u>	<u>56</u>
<b>Total expenditures</b>	<u>3,640,236</u>	<u>3,667,266</u>	<u>3,364,059</u>	<u>303,207</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>306,035</u>	<u>279,005</u>	<u>493,373</u>	<u>214,368</u>
<b>Other financing sources (uses):</b>				
Transfers in	252,700	252,700	20,000	( 232,700)
Transfers (out)	<u>( 207,205)</u>	<u>( 207,205)</u>	<u>( 207,205)</u>	<u>-</u>
<b>Total other financing     sources (uses)</b>	<u>45,495</u>	<u>45,495</u>	<u>( 187,205)</u>	<u>( 232,700)</u>
<b>Net change in fund balances</b>	351,530	324,500	306,168	( 18,332)
Fund balance, beginning	<u>1,086,680</u>	<u>1,086,680</u>	<u>1,086,680</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,438,210</u>	<u>\$ 1,411,180</u>	<u>\$ 1,392,848</u>	<u>\$ ( 18,332)</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, 2012**

**ASSETS**

Cash	\$ <u>953</u>
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**LIABILITIES**

Deposits payable	\$ <u>953</u>
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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, 2012**

**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 the Village's financial statements. The financial statements and notes are the representation of the 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*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

### **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 and loan funds used for the construction of the sewer system in the Village.

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, 2012 consist of receivables from grantors and various taxes and receivables.

**Compensated Absences**

Compensated absences are accrued in governmental funds. As of June 30, 2012 those liabilities were approximately \$79,147.

Employees may receive one day's pay for each three days of sick leave when accrued sick leave is in excess of 240 hours. An employee who has accumulated over 240 hours of sick leave may choose each year in December or at times designated by the Village Administrator to receive payment for sick leave hours in excess of 240 hours at a rate of one day's pay for two days' sick leave. 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.

## 2. 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 2011 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. The adopted budget of the Village is prepared on a basis consistent with accounting principles generally accepted in the United States of America

### 3. 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, 2012 the Village had \$3,065,243 in financial institutions and \$610,553 invested in the New Mexico State Treasurer's Local Government Pooled Investment.

#### Cash and Cash Equivalents

	Balance Per Bank 6-30-12	Add Deposits In Transit	Less Outstanding Checks	Adjustment	Balance Per Books 6-30-12
<b>Wells Fargo Bank</b>					
Checking Accounts					
General	\$ 1,096,741	\$ 11,031	\$( 95,077)	\$ 5,660	\$ 1,018,355
Farmland	237,438	-	-	-	237,438
Impact fee	8,600	-	( 10,431)	-	( 1,831)
Bosque	47,006	-	-	-	47,006
Court Bond Account	1,344	-	( 391)	-	953
Savings	<u>596,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,036</u>
Total Cash in Banks	<u>\$ 1,987,165</u>	<u>\$ 11,031</u>	<u>\$( 105,899)</u>	<u>\$ 5,660</u>	\$ 1,897,957
Plus:					
Cash on Hand					250
Funds Held by New Mexico Finance Authority:					
Loan funds					929,143
Loan reserve accounts					173,778
Loan Debt service account					64,115
State Treasurer's Office - Investment pool					<u>610,553</u>
Total Cash and Cash Equivalents Per Books					<u>\$ 3,675,796</u>
As Reported in Financial Statements:					
Cash					2,507,807
Restricted cash					1,167,036
Agency fund					<u>953</u>
					<u>\$ 3,675,796</u>

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

**Pledged Collateral at Banks**

	<u>Wells Fargo</u>
Deposits	\$ 1,987,165
Less FDIC Coverage	( 250,000)
Covered by Section 343 of the Dodd-Frank Act	<u>( 1,098,085)</u>
Total uninsured public funds	639,080
<b>Collateral pledged :</b>	
<b>BNY Mellon</b>	
FNMA, 01/01/41	
CUSIP, 3138A2WW5	4,646
FNMA, 04/01/41	
CUSIP, 3138A77E2	8,578
FNMA, 02/01/26	
CUSIP, 3138A8EL6	4,579
FNMA, 03/01/42	
CUSIP, 31418AD96	15,761
FNMA, 08/01/40	
CUSIP, 31418V4T6	<u>349,733</u>
Pledged collateral held by the pledging bank's trust department or agent, not in the Village's name	<u>383,297</u>
Uninsured and uncollateralized	<u>\$ 255,783</u>
Collateral requirement (50% of uninsured funds)	\$ 319,540
Pledged collateral	<u>383,297</u>
Over (under) collateralized	<u>\$ 63,757</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, 2012 \$639,080 of the Village's bank balance of \$1,987,165 was exposed to custodial credit risk as follows:

	<u>Wells Fargo Bank</u>
Uninsured and uncollateralized	\$ 255,783
Uninsured and collateral held by pledging bank's trust department in the Bank's name	<u>383,297</u>
Total	<u>\$ 639,080</u>

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

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

Additionally, four 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 \$1,167,036

Reserve Funds Payable	173,778
Program Funds (2 accounts)	929,143
Debt Services	<u>64,115</u>
Total	<u>\$ 1,167,036</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, 2012 the Village had \$610,128 invested in the LGIP which is AAAM rated with an 83-day weighted average maturity to final and \$425 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, 2012 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>Non- major</u>	<u>Total</u>
<b>Receivables:</b>					
Accounts	57,832	\$ 1,362	\$ -	\$ -	\$ 59,194
Property taxes	86,644	-	-	12,088	98,732
Franchise taxes	38,181	-	-	-	38,181
Grants	-	-	282,684	92,184	374,868
Fines and fees	<u>39,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,386</u>
Gross receivables	222,043	1,362	282,684	104,272	610,361
Less: allowance for uncollectibles	<u>37,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,494</u>
Net total receivables	<u>\$ 184,549</u>	<u>\$ 1,362</u>	<u>\$ 282,684</u>	<u>\$ 104,272</u>	<u>\$ 572,867</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, 2012 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,848,563	\$ 39,144	\$ -	\$ 5,887,707
Water rights	230,621	-	-	230,621
Construction in progress	<u>2,030,424</u>	<u>1,527,290</u>	-	<u>3,557,714</u>
Total capital assets not being depreciated	<u>8,109,608</u>	<u>1,566,434</u>	-	<u>9,676,042</u>
Capital assets, being depreciated:				
Buildings and structures	5,081,143	-	-	5,081,143
Equipment and machinery	1,281,278	57,651	-	1,338,929
Furniture and fixtures	1,031,699	-	-	1,031,699
Library books	114,387	54,068	-	168,455
Vehicles	1,395,664	83,261	-	1,478,925
Infrastructure	<u>10,003,201</u>	<u>151,576</u>	-	<u>10,154,777</u>
Total capital assets being depreciated	<u>18,907,372</u>	<u>346,556</u>	-	<u>19,253,928</u>
Less accumulated depreciation:				
Buildings and structures	( 1,769,821)	( 137,957)	-	( 1,907,778)
Equipment and machinery	( 994,255)	( 76,091)	-	( 1,070,346)
Furniture and fixtures	( 626,606)	( 33,229)	-	( 659,835)
Library books	( 51,275)	( 18,393)	-	( 69,668)
Vehicles	( 1,105,592)	( 65,511)	-	( 1,171,103)
Infrastructure	<u>( 5,182,929)</u>	<u>( 404,293)</u>	-	<u>( 5,587,222)</u>
Total accumulated depreciation	<u>( 9,730,478)</u>	<u>( 735,474)</u>	-	<u>(10,465,952)</u>
Total capital assets being depreciated, net	<u>9,176,894</u>	<u>( 388,918)</u>	-	<u>8,787,976</u>
Governmental activities capital assets, net	<u>\$ 17,286,502</u>	<u>\$ 1,177,516</u>	<u>\$ -</u>	<u>\$ 18,464,018</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	\$ 320,078
Public safety	145,624
Public works	176,146
Culture and recreation	<u>93,626</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 735,474</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, 2012 were as follows:

	<b>Due from</b>			<b>Total</b>
	Far Northwest Sector	Waste Water Project	Nonmajor Funds	
<b>Due to</b>				
General Fund	\$ 11,408	\$ 47,717	\$ 203,263	\$ 262,388
Nonmajor Funds	<u>-</u>	<u>176,782</u>	<u>-</u>	<u>176,782</u>
<b>Total</b>	<u>\$ 11,408</u>	<u>\$ 224,499</u>	<u>\$ 203,263</u>	<u>\$ 439,170</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, 2012:

	Transfers out			Total
	General	Far North West Sector	Nonmajor Funds	
Transfers In:				
Far North West Sector	\$ 114,001	\$ -	\$ -	\$ 114,001
Nonmajor Funds	<u>73,204</u>	<u>-</u>	<u>20,373</u>	<u>93,577</u>
Total transfers out	187,205	-	20,373	207,578
Less Transfers in	<u>-</u>	<u>114,001</u>	<u>93,577</u>	<u>207,578</u>
Net transfers	<u>\$ 187,205</u>	<u>\$ (114,001)</u>	<u>\$ (73,204)</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. Pledged revenues for the payment of this loan are the state-shared gross receipts taxes.

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. The bonds are payable from ad valorem taxes levied on all taxable property within the Village.

**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.

In January 2012, the Village entered into an interim loan agreement with the New Mexico Environment Department (NMED). The loan of \$540,000 was approved by NMED to pay for the costs to plan, acquire and construct a wastewater facility, at the interest rate of 3% per annum during construction. This loan is part of a grant loan subsidy which is being funded from a federal grant to NMED from the Environmental Protection Agency. The construction of the project is required to be completed in three year. The first annual installment on the loan will be due within one year of the project completion and annually thereafter. Annual payments will be \$36,296 for 20 years. The Village has pledged the municipal environmental services gross receipts tax and the state-shared gross receipts tax. Anticipated completion date of the project is during the fiscal year ending June 30, 2014.

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
2013	\$ 180,000	\$ 46,622	\$ 49,762	\$ 72,828
2014	185,000	40,029	80,661	85,920
2015	190,000	33,070	92,608	84,135
2016	195,000	25,714	121,102	81,773
2017	200,000	17,939	124,835	78,282
2018-2022	335,000	12,391	690,414	329,107
2023-2027	-	-	909,695	195,364
2028-2032	-	-	424,408	49,186
2033-2037	-	-	35,241	904
Total	<u>\$ 1,285,000</u>	<u>\$ 175,765</u>	<u>\$ 2,528,726</u>	<u>\$ 977,499</u>

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

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 1,460,000	\$ -	\$ 175,000	\$ 1,285,000	\$ 180,000
Notes payable	2,028,178	540,000	39,452	2,528,726	49,762
Compensated absences	<u>75,526</u>	<u>87,041</u>	<u>83,420</u>	<u>79,147</u>	<u>-</u>
	<u>\$ 3,563,704</u>	<u>\$ 627,041</u>	<u>\$ 297,872</u>	<u>\$ 3,892,873</u>	<u>\$ 229,762</u>

**Deficit Fund Balance**

The following funds had deficit fund balances at June 30, 2012:

**Special Revenue Funds**

Law Enforcement	\$ 40
Safe Routes to School	3,995

**Capital Project Funds**

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, 2012 was \$15,480 which consisted of \$7,740 for the Village and \$7,740 from employees. The 457 plan contribution from employees was \$31,388 for the year ended June 30, 2012.

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

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

##### **Retirement Plan**

**Plan Description.** Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for retirement 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, 2012, 2011, and 2010 were \$130,292, \$137,812, and \$148,324, respectively, which equal to the amount of the required contributions for each fiscal year.

##### **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.

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

##### **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 \$121,852 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. There were no payments made under this agreement for the fiscal year ending June 30, 2012. 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.

##### **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 \$63,546 for the current year.

A Memorandum of Agreement between the Village and the County of Sandoval for the Comprehensive Community DWI Prevention Program was effective on May 6, 2011. The parties agree to combine funds and resources derived from any funding under the Comprehensive Community DWI Prevention Program with the common goal of reducing the frequency of alcohol-related traffic accidents.



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

**Memorandum of Agreement** (continued)

A Memorandum of Agreement (MOA) between the Village and the New Mexico Department of Transportation was entered into on the 15<sup>th</sup> of March, 2011. The MOA is to authorize and encumber \$25,000 in Safe Routes To School (SRTS) Phase 2 non-infrastructure funds for the Village to implement and develop a SRTS educational and encouragement program. The Village expended \$25,000 during the fiscal year ending June 30, 2012 for the SRTS program.

**Capital Outlay Appropriation**

Capital Outlay appropriations are as follows:

Capital Project Fund	Project Appropriation	Expenditures to Date	Unexpended	Appropriation Period
Loma Larga Construction	\$ 51,000	\$ 51,000	\$ -	8/2008 to 6/2012
Access A	116,000	116,000	-	7/2010 to 12/2011
Waste Water Project	25,000	25,000	-	7/2011 to 6/2012
Don Julio Road	<u>160,161</u>	<u>-</u>	<u>160,161</u>	9/2011 to 6/2013
	<u>\$ 352,161</u>	<u>\$ 192,000</u>	<u>\$ 160,161</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 funds:

Municipal Street Fund	\$ 23
Waste Water Project Fund	78,618
Loma Larga Fund	39

**Commitments and Contingencies**

In January 2012, the Village entered into an interim loan agreement with the New Mexico Environment Department (NMED) for the costs to plan, acquire and construct a wastewater collection facility. Funding is provided from the Clean Water State Revolving Fund (CWSRF) administered by NMED. Under the interim loan agreement the Village may borrow up to \$540,000 from the CWSRF to complete the project, and is also designated as a sub-recipient to receive up to \$1,000,000 in EPA grant funds, as needed for the project. The loan and grant funds are available for project completion for three years from the date of the interim loan agreement.

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## **SUPPLEMENTARY INFORMATION**

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## **SPECIAL REVENUE FUNDS**

**Local Government Corrections 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** – 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** - 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** – 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** – 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** – 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** - 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** – 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** – authorized by the Governing Body for the Wine & Quilt Festival and Corrales Mainstreet.

**Municipal Streets Fund** – 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** – 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.

## **SPECIAL REVENUE FUNDS**

**FEMA-Fire Equipment** – 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** – use to account for grants to create a master plan for safe routes to school for children.

**Police Special Fund** – 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** – to account for legislative funding to purchase various equipment related to public safety.

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

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

**YCC Grant** – used to account for grants to plan, design, establish, and manage a Youth Conservation Corps Project in accordance with the NMYCC Act.

## **CAPITAL PROJECT FUNDS**

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

**Farmland Preservation** – 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** – 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** – 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** – to account for legislative appropriations used to construct Loma Larga.

## **CAPITAL PROJECT FUNDS**

**Residential Roads and Drainage** – 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.

**Recreation Facilities Improvements** – This fund is to account for the recreation department's facility improvements. Authority is a legally adopted budget, NMSA 1978 6-6-5.

## **DEBT SERVICE FUND**

**General Obligations** – To accumulate monies for the payment of principal and interest on revenue bonds secured by pledges of revenues from property taxes.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Special Revenue</u>			
	<u>Corrections</u>	<u>Court AOC</u>	<u>EMS</u>	<u>Fire Protection</u>
<b>ASSETS</b>				
Cash	\$ 291,307	\$ 1,559	\$ 1,397	\$ 171,188
Accounts receivable	-	1,778	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
Cash - restricted	-	-	-	-
<b>Total assets</b>	<u>\$ 291,307</u>	<u>\$ 3,337</u>	<u>\$ 1,397</u>	<u>\$ 171,188</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,087	\$ -	\$ 4,673
Accrued payroll liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>2,087</u>	<u>-</u>	<u>4,673</u>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	291,307	1,250	1,397	166,515
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>291,307</u>	<u>1,250</u>	<u>1,397</u>	<u>166,515</u>
<b>Total liabilities and fund balances</b>	<u>\$ 291,307</u>	<u>\$ 3,337</u>	<u>\$ 1,397</u>	<u>\$ 171,188</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>
\$ -	\$ 10,164	\$ 81,842	\$ 6,477	\$ -	\$ -	\$ 3,270
-	6,219	-	-	19,161	-	-
-	-	-	-	-	-	-
-	204	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 16,587</u>	<u>\$ 81,842</u>	<u>\$ 6,477</u>	<u>\$ 19,161</u>	<u>\$ -</u>	<u>\$ 3,270</u>
\$ -	\$ 33	\$ 2,292	\$ -	\$ 4,000	\$ -	\$ -
-	1,171	-	-	-	-	-
-	903	-	-	-	-	-
<u>40</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>9,994</u>	<u>-</u>	<u>-</u>
<u>40</u>	<u>2,311</u>	<u>2,292</u>	<u>-</u>	<u>13,994</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	14,276	79,550	6,477	5,167	-	3,270
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>( 40)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>( 40)</u>	<u>14,276</u>	<u>79,550</u>	<u>6,477</u>	<u>5,167</u>	<u>-</u>	<u>3,270</u>
<u>\$ -</u>	<u>\$ 16,587</u>	<u>\$ 81,842</u>	<u>\$ 6,477</u>	<u>\$ 19,161</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, 2012**

	<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>ASSETS</b>				
Cash	\$ 5,392	\$ -	\$ 50,850	\$ -
Accounts receivable	-	8,013	3,994	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	810	189
Cash - restricted	-	-	-	-
<b>Total assets</b>	<u>\$ 5,392</u>	<u>\$ 8,013</u>	<u>\$ 55,654</u>	<u>\$ 189</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 1,261	\$ -
Accrued payroll liabilities	-	487	-	-
Deferred revenues	-	8,013	-	-
Due to other funds	-	3,508	-	-
<b>Total liabilities</b>	<u>-</u>	<u>12,008</u>	<u>1,261</u>	<u>-</u>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	5,392	-	54,393	189
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unassigned	-	( 3,995)	-	-
<b>Total fund balances</b>	<u>5,392</u>	<u>( 3,995)</u>	<u>54,393</u>	<u>189</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,392</u>	<u>\$ 8,013</u>	<u>\$ 55,654</u>	<u>\$ 189</u>

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

<u>Special Revenue</u>				<u>Capital Projects</u>		
<u>Mid-Rio Grande Valley</u>	<u>Recycling Grant</u>	<u>YCC Grant</u>	<u>Special Revenue Total</u>	<u>Records Center</u>	<u>Farmland Preservation</u>	<u>Road CO-OP</u>
\$ 42,875	\$ -	\$ -	\$ 666,321	\$ 10,000	\$ 271,240	\$ 2,864
-	1,831	50,654	91,650	-	-	534
-	-	-	-	-	-	-
79,633	-	-	80,836	-	30,093	-
-	-	-	-	-	-	-
<u>\$ 122,508</u>	<u>\$ 1,831</u>	<u>\$ 50,654</u>	<u>\$ 838,807</u>	<u>\$ 10,000</u>	<u>\$ 301,333</u>	<u>\$ 3,398</u>
\$ -	\$ -	\$ 83	\$ 14,429	\$ -	\$ -	\$ -
2,342	-	12,282	16,282	-	-	-
-	-	-	8,916	-	-	-
<u>103,327</u>	<u>1,731</u>	<u>37,673</u>	<u>156,477</u>	<u>10,000</u>	<u>-</u>	<u>19,158</u>
<u>105,669</u>	<u>1,731</u>	<u>50,038</u>	<u>196,104</u>	<u>10,000</u>	<u>-</u>	<u>19,158</u>
-	-	-	-	-	-	-
16,839	100	616	646,738	-	-	-
-	-	-	-	-	301,333	-
-	-	-	-	-	-	-
-	-	-	( 4,035)	-	-	( 15,760)
<u>16,839</u>	<u>100</u>	<u>616</u>	<u>642,703</u>	<u>-</u>	<u>301,333</u>	<u>( 15,760)</u>
<u>\$ 122,508</u>	<u>\$ 1,831</u>	<u>\$ 50,654</u>	<u>\$ 838,807</u>	<u>\$ 10,000</u>	<u>\$ 301,333</u>	<u>\$ 3,398</u>

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Public Safety Facilities</b>	<b>Loma Larga</b>	<b>Residential Roads and Drainage</b>	<b>Recreation Facilities Improvements</b>
<b>ASSETS</b>				
Cash	\$ 10,000	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	65,853	-	-
Cash - restricted	-	-	-	-
<b>Total assets</b>	<b>\$ 10,000</b>	<b>\$ 65,853</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Due to other funds	10,000	7,499	129	-
<b>Total liabilities</b>	<b>10,000</b>	<b>7,499</b>	<b>129</b>	<b>-</b>
<b>Fund balances:</b>				
Non-spendable:				
Prepaid expenses	-	-	-	-
Restricted for:				
Special revenue	-	-	-	-
Capital projects	-	58,354	-	-
Debt service	-	-	-	-
Unassigned	-	-	( 129)	-
<b>Total fund balances</b>	<b>-</b>	<b>58,354</b>	<b>( 129)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,000</b>	<b>\$ 65,853</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>Capital Projects Total</b>	<b>Debt Service General Obligations</b>	<b>Nonmajor Governmental Funds</b>
\$ 294,104	\$ 293,131	\$ 1,253,556
534	12,088	104,272
-	-	-
95,946	-	176,782
-	-	-
<u>\$ 390,584</u>	<u>\$ 305,219</u>	<u>\$ 1,534,610</u>
\$ -	\$ -	\$ 14,429
-	-	16,282
-	9,903	18,819
46,786	-	203,263
<u>46,786</u>	<u>9,903</u>	<u>252,793</u>
-	-	-
-	-	646,738
359,687	-	359,687
-	295,316	295,316
( 15,889)	-	( 19,924)
<u>343,798</u>	<u>295,316</u>	<u>1,281,817</u>
<u>\$ 390,584</u>	<u>\$ 305,219</u>	<u>\$ 1,534,610</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, 2012**

	<u>Special Revenue</u>			
	<u>Correction</u>	<u>Court AOC</u>	<u>EMS</u>	<u>Fire Protection</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental				
Federal grants	-	-	-	-
State grants	-	5,743	8,152	210,276
Charges for services	-	-	-	-
Fines and forfeitures	41,484	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	2,834
<b>Total revenues</b>	<u>41,484</u>	<u>5,743</u>	<u>8,152</u>	<u>213,110</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	-
Public safety	23,192	4,493	7,571	133,805
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>				
	-	-	-	-
<b>Total expenditures</b>	<u>23,192</u>	<u>4,493</u>	<u>7,571</u>	<u>133,805</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>18,292</u>	<u>1,250</u>	<u>581</u>	<u>79,305</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	( 14,950)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 14,950)</u>
<b>Net change in fund balances</b>	18,292	1,250	581	64,355
<b>Fund balances, beginning of year</b>	<u>273,015</u>	<u>-</u>	<u>816</u>	<u>102,160</u>
<b>Fund balances, end of year</b>	<u>\$ 291,307</u>	<u>\$ 1,250</u>	<u>\$ 1,397</u>	<u>\$ 166,515</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	5,423	-
-	-	-	5,993	-	-	-
-	4,327	11,205	-	-	-	-
29,600	5,696	29,692	-	78,270	-	-
-	76	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,089	-	-	-	-
<u>29,600</u>	<u>10,099</u>	<u>41,986</u>	<u>5,993</u>	<u>78,270</u>	<u>5,423</u>	<u>-</u>
-	-	-	-	-	-	-
1	9,699	-	-	-	-	-
-	-	-	-	-	-	-
-	-	24,738	5,744	98,896	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,600	-	54,069	-	-	-	-
<u>29,601</u>	<u>9,699</u>	<u>78,807</u>	<u>5,744</u>	<u>98,896</u>	<u>-</u>	<u>-</u>
( 1)	400	( 36,821)	249	( 20,626)	5,423	-
-	-	-	-	15,000	-	-
-	-	-	-	-	( 5,423)	-
-	-	-	-	15,000	( 5,423)	-
( 1)	400	( 36,821)	249	( 5,626)	-	-
( 39)	13,876	116,371	6,228	10,793	-	3,270
<u>\$( 40)</u>	<u>\$ 14,276</u>	<u>\$ 79,550</u>	<u>\$ 6,477</u>	<u>\$ 5,167</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, 2012**

	<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:				
Property	\$ -	\$ -	\$ -	\$ -
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental				
Federal grants	90,453	16,189	20,994	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	10,261	-
<b>Total revenues</b>	<u>90,453</u>	<u>16,189</u>	<u>31,255</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	-
Public safety	103,578	23,782	34,142	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>	-	-	72,241	-
<b>Total expenditures</b>	<u>103,578</u>	<u>23,782</u>	<u>106,383</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 13,125)</u>	<u>( 7,593)</u>	<u>( 75,128)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	14,950	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>14,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	1,825	( 7,593)	( 75,128)	-
<b>Fund balances, beginning of year</b>	<u>3,567</u>	<u>3,598</u>	<u>129,521</u>	<u>189</u>
<b>Fund balances, end of year</b>	<u>\$ 5,392</u>	<u>\$( 3,995)</u>	<u>\$ 54,393</u>	<u>\$ 189</u>

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



<u>Special Revenue</u>			<u>Special Revenue Total</u>	<u>Capital Projects</u>		
<u>Mid-Rio Grande Valley</u>	<u>Recycling Grant</u>	<u>YCC Grant</u>		<u>Records Center</u>	<u>Farmland Preservation</u>	<u>Road CO-OP</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	5,423	-	-	-
-	-	-	5,993	-	-	-
63,546	-	-	206,714	-	-	-
-	12,851	100,705	480,985	5,823	-	116,000
-	-	-	76	-	-	-
-	-	-	41,484	-	-	-
-	-	-	-	-	452	-
-	100	1,814	16,098	-	-	-
<u>63,546</u>	<u>12,951</u>	<u>102,519</u>	<u>756,773</u>	<u>5,823</u>	<u>452</u>	<u>116,000</u>
-	-	-	-	-	-	-
61,860	-	-	402,123	-	-	-
-	1,831	106,572	108,403	-	4,600	-
-	-	-	129,378	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	11,020	-	166,930	-	-	151,576
<u>61,860</u>	<u>12,851</u>	<u>106,572</u>	<u>806,834</u>	<u>-</u>	<u>4,600</u>	<u>151,576</u>
<u>1,686</u>	<u>100</u>	<u>( 4,053)</u>	<u>( 50,061)</u>	<u>5,823</u>	<u>( 4,148)</u>	<u>( 35,576)</u>
-	-	-	29,950	-	-	35,576
-	-	-	( 20,373)	-	-	-
-	-	-	9,577	-	-	35,576
1,686	100	( 4,053)	( 40,484)	5,823	( 4,148)	-
<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>\$ 16,839</u>	<u>\$ 100</u>	<u>\$ 616</u>	<u>\$ 642,703</u>	<u>\$ -</u>	<u>\$ 301,333</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, 2012**

	<b>Capital Projects</b>			
	<b>Public Safety Facilities</b>	<b>Loma Larga</b>	<b>Residential Roads and Drainage</b>	<b>Recreation Facilities Improvements</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental				
Federal grants	-	-	-	-
State grants	-	51,000	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>51,000</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Capital outlay</b>	-	51,039	-	28,051
<b>Total expenditures</b>	<u>-</u>	<u>51,039</u>	<u>-</u>	<u>28,051</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>( 39)</u>	<u>-</u>	<u>( 28,051)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	28,051
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,051</u>
<b>Net change in fund balances</b>	-	( 39)	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>58,393</u>	<u>( 129)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 58,354</u>	<u>\$ ( 129)</u>	<u>\$ -</u>

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

<b>Capital Projects Total</b>	<b>Debt Service General Obligations</b>	<b>Nonmajor Governmental Funds</b>
\$ -	\$ 59,120	\$ 59,120
-	-	5,423
-	-	5,993
-	-	-
-	-	206,714
172,823	-	653,808
-	-	76
-	-	41,484
452	-	452
-	-	16,098
173,275	59,120	989,168
-	1,610	1,610
-	-	402,123
4,600	-	113,003
-	-	129,378
-	175,000	175,000
-	50,999	50,999
230,666	-	397,596
235,266	227,609	1,269,709
( 61,991)	( 168,489)	( 280,541)
63,627	-	93,577
-	-	( 20,373)
63,627	-	73,204
1,636	( 168,489)	( 207,337)
342,162	463,805	1,489,154
\$ 343,798	\$ 295,316	\$ 1,281,817

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
CORRECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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>				
Fines and forfeitures	\$ 74,200	\$ 74,200	\$ 41,484	\$( 32,716)
<b>Total revenues</b>	<u>74,200</u>	<u>74,200</u>	<u>41,484</u>	<u>( 32,716)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>74,200</u>	<u>74,200</u>	<u>23,192</u>	<u>51,008</u>
<b>Total expenditures</b>	<u>74,200</u>	<u>74,200</u>	<u>23,192</u>	<u>51,008</u>
<b>Net change in fund balances</b>	-	-	18,292	18,292
Fund balance, beginning	<u>273,015</u>	<u>273,015</u>	<u>273,015</u>	<u>-</u>
Fund balance, ending	<u>\$ 273,015</u>	<u>\$ 273,015</u>	<u>\$ 291,307</u>	<u>\$ 18,292</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 14,200	\$ 14,200	\$ 5,743	\$( 8,457)
<b>Total revenues</b>	<u>14,200</u>	<u>14,200</u>	<u>5,743</u>	<u>( 8,457)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>14,200</u>	<u>14,200</u>	<u>4,493</u>	<u>9,707</u>
<b>Total expenditures</b>	<u>14,200</u>	<u>14,200</u>	<u>4,493</u>	<u>9,707</u>
<b>Net change in fund balances</b>	-	-	1,250	1,250
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 1,250</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 9,250	\$ 9,250	\$ 8,152	\$( 1,098)
<b>Total revenues</b>	<u>9,250</u>	<u>9,250</u>	<u>8,152</u>	<u>( 1,098)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>9,250</u>	<u>9,250</u>	<u>7,571</u>	<u>1,679</u>
<b>Total expenditures</b>	<u>9,250</u>	<u>9,250</u>	<u>7,571</u>	<u>1,679</u>
<b>Net change in fund balances</b>	-	-	581	581
Fund balance, beginning	<u>816</u>	<u>816</u>	<u>816</u>	<u>-</u>
Fund balance, ending	<u>\$ 816</u>	<u>\$ 816</u>	<u>\$ 1,397</u>	<u>\$ 581</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 214,000	\$ 214,000	\$ 210,276	\$( 3,724)
Miscellaneous	<u>          -</u>	<u>          2,095</u>	<u>          2,834</u>	<u>          739</u>
<b>Total revenues</b>	<u>214,000</u>	<u>216,095</u>	<u>213,110</u>	<u>( 2,985)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>218,950</u>	<u>221,045</u>	<u>133,805</u>	<u>87,240</u>
<b>Total expenditures</b>	<u>218,950</u>	<u>221,045</u>	<u>133,805</u>	<u>87,240</u>
<b>Net change in fund balances</b>	-	( 19,900)	64,355	84,255
Fund balance, beginning	<u>102,160</u>	<u>102,160</u>	<u>102,160</u>	<u>-</u>
Fund balance, ending	<u>\$ 102,160</u>	<u>\$ 82,260</u>	<u>\$ 166,515</u>	<u>\$ 84,255</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ <u>29,600</u>	\$ <u>29,600</u>	\$ <u>29,600</u>	\$ <u>-</u>
<b>Total revenues</b>	<u>29,600</u>	<u>29,600</u>	<u>29,600</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Capital outlay:</b>	<u>29,601</u>	<u>29,601</u>	<u>29,601</u>	<u>-</u>
<b>Total expenditures</b>	<u>29,601</u>	<u>29,601</u>	<u>29,601</u>	<u>-</u>
<b>Net change in fund balances</b>	( 1)	( 1)	( 1)	-
Fund balance, beginning	<u>( 39)</u>	<u>( 39)</u>	<u>( 39)</u>	<u>-</u>
Fund balance, ending	<u>\$( 40)</u>	<u>\$( 40)</u>	<u>\$( 40)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ 4,400	\$ 4,400	\$ 4,327	\$( 73)
State grants	11,983	14,983	5,696	( 9,287)
Charges for services	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
<b>Total revenues</b>	<u>16,383</u>	<u>19,383</u>	<u>10,099</u>	<u>( 9,284)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>16,383</u>	<u>19,383</u>	<u>9,699</u>	<u>9,684</u>
<b>Total expenditures</b>	<u>16,383</u>	<u>19,383</u>	<u>9,699</u>	<u>9,684</u>
<b>Net change in fund balances</b>	-	-	400	400
Fund balance, beginning	<u>13,876</u>	<u>13,876</u>	<u>13,876</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,876</u>	<u>\$ 13,876</u>	<u>\$ 14,276</u>	<u>\$ 400</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 11,000	\$ 11,000	\$ 11,205	\$ 205
State grants	8,815	20,815	29,692	8,877
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>1,089</u>	( 1,911)
<b>Total revenues</b>	<u>22,815</u>	<u>34,815</u>	<u>41,986</u>	<u>7,171</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	25,610	25,610	24,738	872
<b>Capital outlay:</b>	<u>42,205</u>	<u>54,205</u>	<u>54,069</u>	<u>136</u>
<b>Total expenditures</b>	<u>67,815</u>	<u>79,815</u>	<u>78,807</u>	<u>1,008</u>
<b>Net change in fund balances</b>	( 45,000)	( 45,000)	( 36,821)	8,179
Fund balance, beginning	<u>116,371</u>	<u>116,371</u>	<u>116,371</u>	<u>-</u>
Fund balance, ending	<u>\$ 71,371</u>	<u>\$ 71,371</u>	<u>\$ 79,550</u>	<u>\$ 8,179</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Lodgers'	\$ 5,000	\$ 5,000	\$ 5,993	\$ 993
<b>Total revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>5,993</u>	<u>993</u>
 <b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	<u>5,000</u>	<u>6,500</u>	<u>5,744</u>	<u>756</u>
<b>Total expenditures</b>	<u>5,000</u>	<u>6,500</u>	<u>5,744</u>	<u>756</u>
 <b>Net change in fund balances</b>	 -	 ( 1,500)	 249	 1,749
 Fund balance, beginning	 <u>6,228</u>	 <u>6,228</u>	 <u>6,228</u>	 <u>-</u>
 Fund balance, ending	 <u>\$ 6,228</u>	 <u>\$ 4,728</u>	 <u>\$ 6,477</u>	 <u>\$ 1,749</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 92,410	\$ 92,410	\$ 78,270	\$( 14,140)
<b>Total revenues</b>	<u>92,410</u>	<u>92,410</u>	<u>78,270</u>	<u>( 14,140)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	<u>107,410</u>	<u>107,410</u>	<u>98,896</u>	<u>8,514</u>
<b>Total expenditures</b>	<u>107,410</u>	<u>107,410</u>	<u>98,896</u>	<u>8,514</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 15,000)</u>	<u>( 15,000)</u>	<u>( 20,626)</u>	<u>( 5,626)</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Total other financing     sources (uses)</b>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	( 5,626)	( 5,626)
Fund balance, beginning	<u>10,793</u>	<u>10,793</u>	<u>10,793</u>	<u>-</u>
Fund balance, ending	<u>\$ 10,793</u>	<u>\$ 10,793</u>	<u>\$ 5,167</u>	<u>\$( 5,626)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
State-shared	\$ -	\$ 5,400	\$ 5,423	\$ 23
<b>Total revenues</b>	<u>-</u>	<u>5,400</u>	<u>5,423</u>	<u>23</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>5,400</u>	<u>5,423</u>	<u>23</u>
<b>Other financing sources (uses):</b>				
Transfers (out)	-	( 5,400)	( 5,423)	( 23)
<b>Total other financing     sources (uses)</b>	<u>-</u>	<u>( 5,400)</u>	<u>( 5,423)</u>	<u>( 23)</u>
<b>Net change in fund balances</b>	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<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  
RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Culture and recreation	\$ <u>145</u>	\$ <u>145</u>	\$ <u>-</u>	\$ <u>145</u>
<b>Total expenditures</b>	<u>145</u>	<u>145</u>	<u>-</u>	<u>145</u>
<b>Net change in fund balances</b>	( 145)	( 145)	-	145
Fund balance, beginning	<u>3,270</u>	<u>3,270</u>	<u>3,270</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,125</u>	<u>\$ 3,125</u>	<u>\$ 3,270</u>	<u>\$ 145</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 94,050	\$ 104,050	\$ 90,453	\$( 13,597)
<b>Total revenues</b>	<u>94,050</u>	<u>104,050</u>	<u>90,453</u>	<u>( 13,597)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>99,000</u>	<u>119,000</u>	<u>103,578</u>	<u>15,422</u>
<b>Total expenditures</b>	<u>99,000</u>	<u>119,000</u>	<u>103,578</u>	<u>15,422</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 4,950)</u>	<u>( 14,950)</u>	<u>( 13,125)</u>	<u>1,825</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>4,950</u>	<u>14,950</u>	<u>14,950</u>	<u>-</u>
<b>Total other financing     sources (uses)</b>	<u>4,950</u>	<u>14,950</u>	<u>14,950</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	1,825	1,825
Fund balance, beginning	<u>3,567</u>	<u>3,567</u>	<u>3,567</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,567</u>	<u>\$ 3,567</u>	<u>\$ 5,392</u>	<u>\$ 1,825</u>

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



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SAFE ROUTES TO SCHOOL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 25,000	\$ 25,000	\$ 16,189	\$( 8,811)
<b>Total revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>16,189</u>	<u>( 8,811)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>25,000</u>	<u>25,000</u>	<u>23,782</u>	<u>1,218</u>
<b>Total expenditures</b>	<u>25,000</u>	<u>25,000</u>	<u>23,782</u>	<u>1,218</u>
<b>Net change in fund balances</b>	-	-	( 7,593)	( 7,593)
Fund balance, beginning	<u>3,598</u>	<u>3,598</u>	<u>3,598</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,598</u>	<u>\$ 3,598</u>	<u>\$( 3,995)</u>	<u>\$( 7,593)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 36,000	\$ 36,000	\$ 20,994	\$( 15,006)
Miscellaneous	<u>2,500</u>	<u>4,950</u>	<u>10,261</u>	<u>5,311</u>
<b>Total revenues</b>	<u>38,500</u>	<u>40,950</u>	<u>31,255</u>	<u>( 9,695)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	106,000	108,450	34,142	74,308
<b>Capital outlay:</b>	<u>72,500</u>	<u>72,500</u>	<u>72,241</u>	<u>259</u>
<b>Total expenditures</b>	<u>178,500</u>	<u>180,950</u>	<u>106,383</u>	<u>74,567</u>
<b>Net change in fund balances</b>	( 140,000)	( 140,000)	( 75,128)	64,872
Fund balance, beginning	<u>129,521</u>	<u>129,521</u>	<u>129,521</u>	<u>-</u>
Fund balance, ending	<u><u>\$( 10,479)</u></u>	<u><u>\$( 10,479)</u></u>	<u><u>\$ 54,393</u></u>	<u><u>\$ 64,872</u></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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 85,788	\$ 85,788	\$ 63,546	\$( 22,242)
<b>Total revenues</b>	<u>85,788</u>	<u>85,788</u>	<u>63,546</u>	<u>( 22,242)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public safety	<u>85,788</u>	<u>85,788</u>	<u>61,860</u>	<u>23,928</u>
<b>Total expenditures</b>	<u>85,788</u>	<u>85,788</u>	<u>61,860</u>	<u>23,928</u>
<b>Net change in fund balances</b>	-	-	1,686	1,686
Fund balance, beginning	<u>15,153</u>	<u>15,153</u>	<u>15,153</u>	<u>-</u>
Fund balance, ending	<u>\$ 15,153</u>	<u>\$ 15,153</u>	<u>\$ 16,839</u>	<u>\$ 1,686</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 13,976	\$ 13,976	\$ 12,851	\$( 1,125)
Miscellaneous	-	-	100	100
<b>Total revenues</b>	<u>13,976</u>	<u>13,976</u>	<u>12,951</u>	<u>( 1,025)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	1,976	1,976	1,831	145
<b>Capital outlay:</b>	<u>12,000</u>	<u>12,000</u>	<u>11,020</u>	<u>980</u>
<b>Total expenditures</b>	<u>13,976</u>	<u>13,976</u>	<u>12,851</u>	<u>1,125</u>
<b>Net change in fund balances</b>	-	-	100	100
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 54,759	\$ 199,759	\$ 100,705	\$( 99,054)
Miscellaneous	<u>          -</u>	<u>          -</u>	<u>      1,814</u>	<u>      1,814</u>
<b>Total revenues</b>	<u>      54,759</u>	<u>     199,759</u>	<u>     102,519</u>	<u>    ( 97,240)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	<u>      54,759</u>	<u>     199,759</u>	<u>     106,572</u>	<u>      93,187</u>
<b>Total expenditures</b>	<u>      54,759</u>	<u>     199,759</u>	<u>     106,572</u>	<u>      93,187</u>
<b>Net change in fund balances</b>	-	-	( 4,053)	( 4,053)
Fund balance, beginning	<u>      4,669</u>	<u>      4,669</u>	<u>      4,669</u>	<u>          -</u>
Fund balance, ending	<u>\$      4,669</u>	<u>\$      4,669</u>	<u>\$         616</u>	<u>\$(      4,053)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 294,508	\$ 294,508	\$ -	\$( 294,508)
Interest on investments	<u>-</u>	<u>-</u>	<u>3,469</u>	<u>3,469</u>
<b>Total revenues</b>	<u>294,508</u>	<u>294,508</u>	<u>3,469</u>	<u>( 291,039)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	905,000	905,000	2,239	902,761
<b>Debt service:</b>				
Principal retirement	39,452	39,452	39,452	-
Interest and fiscal charges	74,521	74,521	74,521	-
<b>Capital outlay:</b>	<u>294,508</u>	<u>294,508</u>	<u>365,649</u>	<u>( 71,141)</u>
<b>Total expenditures</b>	<u>1,313,481</u>	<u>1,313,481</u>	<u>481,861</u>	<u>831,620</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 1,018,973)</u>	<u>( 1,018,973)</u>	<u>( 478,392)</u>	<u>540,581</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	114,001	114,001	-
Loan proceeds	<u>905,000</u>	<u>905,000</u>	<u>-</u>	<u>( 905,000)</u>
<b>Total other financing     sources (uses)</b>	<u>905,000</u>	<u>1,019,001</u>	<u>114,001</u>	<u>( 905,000)</u>
<b>Net change in fund balances</b>	( 113,973)	28	( 364,391)	( 364,419)
Fund balance, beginning	<u>1,055,920</u>	<u>1,055,920</u>	<u>1,055,920</u>	<u>-</u>
Fund balance, ending	<u>\$ 941,947</u>	<u>\$ 1,055,948</u>	<u>\$ 691,529</u>	<u>\$( 364,419)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Federal grants	\$ 257,431	\$ 257,431	\$ 435,034	\$ 177,603
State grants	<u>193,734</u>	<u>218,734</u>	<u>195,859</u>	<u>( 22,875)</u>
<b>Total revenues</b>	<u>451,165</u>	<u>476,165</u>	<u>630,893</u>	<u>154,728</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	4,595	4,595	4,595	-
<b>Capital outlay:</b>	<u>521,156</u>	<u>1,031,983</u>	<u>1,110,601</u>	<u>( 78,618)</u>
<b>Total expenditures</b>	<u>525,751</u>	<u>1,036,578</u>	<u>1,115,196</u>	<u>( 78,618)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 74,586)</u>	<u>( 560,413)</u>	<u>( 484,303)</u>	<u>76,110</u>
<b>Other financing sources (uses):</b>				
Loan proceeds	<u>-</u>	<u>543,551</u>	<u>540,000</u>	<u>3,551</u>
<b>Total other financing     sources (uses)</b>	<u>-</u>	<u>543,551</u>	<u>540,000</u>	<u>3,551</u>
<b>Net change in fund balances</b>	<u>( 74,586)</u>	<u>( 16,862)</u>	<u>55,697</u>	<u>79,661</u>
Fund balance, beginning	<u>9,628</u>	<u>9,628</u>	<u>9,628</u>	<u>-</u>
Fund balance, ending	<u>\$( 64,958)</u>	<u>\$( 7,234)</u>	<u>\$ 65,325</u>	<u>\$ 79,661</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 452	\$ 452
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>452</u>	<u>452</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
Public works	-	60,000	4,600	55,400
<b>Total expenditures</b>	<u>-</u>	<u>60,000</u>	<u>4,600</u>	<u>55,400</u>
<b>Net change in fund balances</b>	-	( 60,000)	( 4,148)	55,852
Fund balance, beginning	<u>305,481</u>	<u>305,481</u>	<u>305,481</u>	<u>-</u>
Fund balance, ending	<u>\$ 305,481</u>	<u>\$ 245,481</u>	<u>\$ 301,333</u>	<u>\$ 55,852</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 116,000	\$ 116,000	\$ 116,000	\$ -
<b>Total revenues</b>	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Capital outlay:</b>	<u>154,667</u>	<u>154,667</u>	<u>151,576</u>	<u>3,091</u>
<b>Total expenditures</b>	<u>154,667</u>	<u>154,667</u>	<u>151,576</u>	<u>3,091</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 38,667)</u>	<u>( 38,667)</u>	<u>( 35,576)</u>	<u>3,091</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>38,700</u>	<u>49,500</u>	<u>35,576</u>	<u>( 13,924)</u>
<b>Total other financing     sources (uses)</b>	<u>38,700</u>	<u>49,500</u>	<u>35,576</u>	<u>( 13,924)</u>
<b>Net change in fund balances</b>	33	10,833	-	( 10,833)
Fund balance, beginning	<u>( 15,760)</u>	<u>( 15,760)</u>	<u>( 15,760)</u>	<u>-</u>
Fund balance, ending	<u>\$( 15,727)</u>	<u>\$( 4,927)</u>	<u>\$( 15,760)</u>	<u>\$( 10,833)</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 and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
State grants	\$ 51,000	\$ 51,000	\$ 51,000	\$ -
<b>Total revenues</b>	<u>51,000</u>	<u>51,000</u>	<u>51,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Capital outlay:</b>	<u>51,000</u>	<u>51,000</u>	<u>51,039</u>	<u>( 39)</u>
<b>Total expenditures</b>	<u>51,000</u>	<u>51,000</u>	<u>51,039</u>	<u>( 39)</u>
<b>Net change in fund balances</b>	-	-	( 39)	( 39)
Fund balance, beginning	<u>58,393</u>	<u>58,393</u>	<u>58,393</u>	<u>-</u>
Fund balance, ending	<u>\$ 58,393</u>	<u>\$ 58,393</u>	<u>\$ 58,354</u>	<u>\$( 39)</u>

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
RECREATION FACILITIES IMPROVEMENTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>EXPENDITURES</b>				
<b>Capital outlay:</b>	\$ 45,000	\$ 45,000	\$ 28,051	\$ 16,949
<b>Total expenditures</b>	<u>45,000</u>	<u>45,000</u>	<u>28,051</u>	<u>16,949</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>( 45,000)</u>	<u>( 45,000)</u>	<u>( 28,051)</u>	<u>16,949</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>28,051</u>	<u>( 16,949)</u>
<b>Total other financing         sources (uses)</b>	<u>45,000</u>	<u>45,000</u>	<u>28,051</u>	<u>( 16,949)</u>
<b>Net change in fund balances</b>	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<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  
GENERAL OBLIGATIONS DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
BUDGET and ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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:				
Property	\$ 213,000	\$ 213,000	\$ 59,120	\$( 153,880)
<b>Total revenues</b>	<u>213,000</u>	<u>213,000</u>	<u>59,120</u>	<u>( 153,880)</u>
<b>EXPENDITURES</b>				
<b>Current operations:</b>				
General government	3,200	3,200	1,610	1,590
<b>Debt service:</b>				
Principal retirement	175,000	175,000	175,000	-
Interest and debt issuance costs	<u>50,999</u>	<u>50,999</u>	<u>50,999</u>	<u>-</u>
<b>Total expenditures</b>	<u>229,199</u>	<u>229,199</u>	<u>227,609</u>	<u>1,590</u>
<b>Net change in fund balances</b>	( 16,199)	( 16,199)	( 168,489)	( 152,290)
Fund balance, beginning	<u>463,805</u>	<u>463,805</u>	<u>463,805</u>	<u>-</u>
Fund balance, ending	<u>\$ 447,606</u>	<u>\$ 447,606</u>	<u>\$ 295,316</u>	<u>\$( 152,290)</u>

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

## **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, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>ASSETS</b>				
Cash	\$ 1,797	\$ 9,981	\$ (10,825)	\$ 953
<b>Total assets</b>	<u>\$ 1,797</u>	<u>\$ 9,981</u>	<u>\$ (10,825)</u>	<u>\$ 953</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,797	\$ 9,981	\$ (10,825)	953
<b>Total liabilities</b>	<u>\$ 1,797</u>	<u>\$ 9,981</u>	<u>\$ (10,825)</u>	<u>\$ 953</u>

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDING JUNE 30, 2012**

<u>Grantor Agency and Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Federal Expenditures</u>
<b><u>Environmental Protection Agency</u></b>			
Direct			
Sanitary Sewer Installation	66.606	XP 98689901	\$ 236,392
Pass Through - New Mexico Environmental Department			
Wastewater Transmission System - grant	66.458	CWSRF-011	282,685
Wastewater Transmission System - loan	66.458	CWSRF-011	<u>540,000</u>
Total U.S. Environmental Protection Agency			<u>1,059,077</u>
<b><u>Executive Office of the President:</u></b>			
<b><u>Office of National Drug Control Policy</u></b>			
Direct			
High Intensity Drug Trafficking Area (HIDTA) Mid-Rio Grande Valley Task Force	95.001	MOU-MRGVTF	59,867
<b><u>U.S. Department of Justice</u></b>			
Direct			
DEA - Police Fund - Equitable Sharing Overtime Reimbursement	16.001		9,949
<b><u>U.S. Department of Homeland Security</u></b>			
Direct			
Federal Emergency Management Agency	97.044	EMW-2010-FO-09830	80,561
Pass Through - New Mexico Department of Homeland Security			
Federal Emergency Management Agency	97.067	2010-EMPG-Corrales #2	<u>9,892</u>
Total U.S. Department of Homeland Security			<u>90,453</u>
<b><u>National Endowment for the Humanities</u></b>			
Pass Through New Mexico Department of Cultural Affairs			
LSTA	45.31	LSTA 2010-E1	11,205



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDING JUNE 30, 2012**

<u>Grantor Agency and Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Transportation</u></b>			
Pass Through - New Mexico DOT			
Operation DWI	20.608	12-AL-64-026	4,327
Safe Routes	20.999	MOA1045	<u>24,203</u>
Total U.S. Department of Transportation			<u>28,530</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,259,081</u></u>

**NOTE A: SIGNIFICANT ACCOUNTING POLICY**

The accompanying schedule of federal awards is prepared on the modified accrual basis of accounting.



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 of 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, 2012, and have issued our report thereon dated November 29, 2012. 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**

Management of the Village is responsible for establishing and maintaining effective 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 questioned costs* that we consider to be significant deficiencies in internal control over financial reporting as items 2011-B, 2012-A, and 2012-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 questioned costs* as items 2007-A, 2011-C, 2012-C, 2012-D, and 2012-E.

The Village's responses to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. 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 LLP*

Pattillo, Brown & Hill, L.L.P.  
Albuquerque, New Mexico  
November 29, 2012



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the Village of Corrales, New Mexico's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village of Corrales, New Mexico's major federal programs for the year ended June 30, 2012. The Village of Corrales, New Mexico's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Village of Corrales, New Mexico's management. Our responsibility is to express an opinion on the Village of Corrales, New Mexico's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Corrales, New Mexico's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village of Corrales, New Mexico's compliance with those requirements.

In our opinion, the Village of Corrales, New Mexico, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## Internal Control over Compliance

Management of the Village of Corrales, New Mexico, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Corrales, New Mexico's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village of Corrales, New Mexico's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

This report is intended solely for the information and use of management, Village Council, others within the entity, the New Mexico State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

*Pattillo, Brown & Hill LLP*

Albuquerque, New Mexico  
November 29, 2012

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	No
Type of auditors’ report issued on compliance For major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) Of Circular A-133?	No
Identification of major programs:	

CFDA Number  
66.458

Name of Federal Program  
Clean Water State Revolving Fund - Wastewater Transmission System

Dollar threshold used to distinguish Between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

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**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**Section II – Financial Statement Findings**

**Prior Year**

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

**Current Year**

2007-A	Excess of Expenditures Over Budget – Repeated and Modified
2011-B	Accounts Receivable Reconciliation – Repeated and Modified
2011-C	Budget Deficit in Excess of Cash – Repeated and Modified
2012-A	Unreconciled Cash Account
2012-B	Unreconciled Payables and Receivables
2012-C	Documentation for Grants
2012-D	Procurement
2012-E	Outstanding Checks

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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

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

Municipal Street Fund	\$	23
Waste Water Project Fund		78,618
Loma Larga Fund		39

**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 QUESTIONED COSTS  
JUNE 30, 2012**

**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 on the general ledger is \$5,376 more than the accounts receivable subsidiary ledger.

**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:**                      The Village does not have an accurate subsidiary ledger for business licenses which reflect unpaid licenses at year end.

**Cause:**                      The subsidiary ledger is not being properly maintained and there is not a reconciliation process between the subsidiary ledger and the general ledger to resolve any differences.

**Recommendation:**                      The Village should make the appropriate changes to ensure the subsidiary ledger is reconciled to the general ledger and any differences are resolved on a timely basis.

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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

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

Fund	Budget Deficit in Excess of Cash
Police Special	(            10,610)

**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.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**2012-A**                      **Unreconciled Cash Account**  
**(significant deficiency)**

**Condition:**                      The Village is attempting to reconcile the pooled cash account each month. However there is an unreconciled difference which fluctuates and is carried forward each month. At June 30, 2012, the general ledger is understated by \$4,498.

**Criteria:**                      The New Mexico State Statute, Section 6-10-2 (A) NMSA 1978, states “It is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day’s business.

**Effect:**                      The Village is not properly safeguarding public funds by having an accurate cash reconciliation prepared each month. Because there is an unreconciled difference each month, it is possible that all transactions are not being recorded and/or are not being recorded on a timely basis.

**Cause:**                      Each month when the pooled cash account is being reconciled, there are differences which cannot be identified and are reflected as an unreconciled amount on the bank reconciliation.

**Recommendation:**                      The Village should take the steps necessary to identify all differences between the bank statement and the general ledger.

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**2012-B                    Unreconciled Payables and Receivables  
(significant deficiency)**

**Condition:**            The Village does not reconcile accounts receivable and accounts payable at year end. The Village records accounts receivable and accounts payable at year end by journal entry without supporting documentation or subsidiary ledgers to ensure the general ledger balances are correct.

**Criteria:**              NMAC Title 2 Chapter 20 C. states “It is the responsibility of the chief financial officer to ensure that:...(3) all transactions are properly classified in the agency’s records and (7) all accounting systems, including subsidiary systems, are recording transactions timely, completely, and accurately.

**Effect:**                The Village does not have a trial balance that accurately reflects accounts payable and accounts receivable. The Village is misstating revenues and expenditures by not reconciling balance sheet accounts.

**Cause:**                 The Village does not have a procedure in place to maintain accurate balances in payables and receivables.

**Recommendation:**    The Village should make sure that year end, payables and receivables are accurate and reconciled to subsidiary ledgers or supporting documentation.

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

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**2012-C**

**Documentation for Grants  
(compliance)**

**Condition:**

During the review of grant files, two grants did not have all of the documentation available for review. The FEMA-Fire Equipment grant file did not have the reimbursement requests nor the required semi-annual reporting available for review. The MRGVTF grant file did not have all monthly wage reimbursement requests documentation available for review. Documentation for both the FEMA and the MRGVTF grants was provided at a later date. The documentation for the FEMA grant reporting did not document whether the reports had been filed timely.

**Criteria:**

The FEMA agreement articles states “The grantee must submit a semi-annual and a final performance report to FEMA. The final report is due within 90 days after the end of the performance period. 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:**

The Village finance officer is not receiving the necessary information to verify that grant revenues, expenditures and reporting are being prepared and recorded on a timely basis.

**Cause:**

The Village finance officer is not provided grant documentation on a timely basis from the departments responsible for the grants.

**Recommendation:**

The Village finance officer should be provided on a timely basis grant documentation that will allow for the timely recording and reporting of grant revenues and expenditures.

**Response:**

The Village agrees with this recommendation.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**2012-D**

**Procurement  
(compliance)**

**Condition:**

The Village's own procurement policy requires that each expenditure requires a purchase order with documentation of best obtainable price. During cash disbursements testing, it was noted in three instances that purchase orders were dated after the invoices.

**Criteria:**

Village resolution 99-06, for small purchases other than professional services, states that (1) all purchases under \$500 shall be made at the best obtainable price, (2) all purchases between \$500 and \$3,000 shall be made by oral, telephone or written bid from no fewer than three businesses, and (3) all purchases between \$3,000 and \$10,000 shall be with written quotes on bids.

**Effect:**

The Village's procurement policies are not being adhered to by each department. This makes it more difficult for the finance officer to track and monitor budgets and request budget adjustments when necessary.

**Cause:**

Various departments within the Village are not following the Village's procurement procedures.

**Recommendation:**

Each department head should insure that Village procurement procedures are being adhered to.

**Response:**

The Village agrees with this recommendation.



**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**2012-E**

**Outstanding Checks**  
**(compliance)**

**Condition:**

The Village has \$95,077 of outstanding checks on the June 30, 2012 bank reconciliation for the general checking account. Outstanding checks over a year old amount to \$5,660.

**Criteria:**

The New Mexico State Statute, Section 6-10-57 (A) NMSA 1978, states “Whenever any warrant issued by the state, county, municipality, school district or special district is unpaid for one year after it becomes payable, the fiscal officer shall cancel it.”

**Effect:**

The Village is continuing to reflect outstanding checks over a year old on their bank reconciliation.

**Cause:**

The Village has not had the time to effectively research and resolve these outstanding items.

**Recommendation:**

The Village should take the steps necessary to research and resolve these old outstanding items.

**Response:**

The Village agrees with this recommendation.

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**Section III – Findings and Questioned Costs – Major Federal Awards Program Audit**

**Prior Year**

None

**Current Year**

None

**STATE OF NEW MEXICO  
VILLAGE OF CORRALES  
EXIT CONFERENCE  
JUNE 30, 2012**

**EXIT CONFERENCE**

An exit conference was held on November 29, 2012 at the Village's offices. In attendance were Philip Gasteyer, Mayor; Terri Gray, Finance Director; Tom Pogwizd, Accounts Specialist 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.