



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

VILLAGE OF CORRALES

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
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For the Year Ended June 30, 2014**

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**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Official Roster
For the Year Ended June 30, 2014**

Mayor and Council Members

Scott Kominiak	Mayor
John Alsobrook	Councilor
Patricia S. Clauser	Councilor
Ennio Garcia-Miera	Councilor
Jim Fahey	Councilor
Philip Gasteyer	Councilor
Hoyt Hart	Councilor

Administrative Officials

John Avila	Village Administrator
Terri Gray	Finance Officer



INDEPENDENT AUDITOR’S REPORT

Scott Kominiak, Mayor,
Village Council of
Village of Corrales and
Hector H. Balderas,
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the Village of Corrales (the Village) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village’s nonmajor governmental funds, and the budgetary comparisons of the major capital project funds and the nonmajor governmental funds, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended, June 30, 2014 as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis, which is required 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Agency's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules, listed as "other supplemental information" in the table of contents, required by 2.2.2.NMAC, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules, listed as "other supplemental information" in the table of contents, required by 2.2.2 NMAC, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the other schedules, listed as "other supplemental information" in the table of contents, required by 2.2.2 NMAC, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014 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* in considering the Village's internal control over financial reporting and compliance.

Hinkle & Landers, P.C.

Hinkle + Landers PC
Albuquerque, New Mexico
December 12, 2014

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Statement of Net Position
As of June 30, 2014**

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 5,422,138
Receivables (net of allowance for uncollectibles)	305,744
Restricted cash	-
Total current assets	<u>5,727,882</u>
Noncurrent assets	
Restricted cash	78,784
Capital assets not being depreciated	6,595,037
Capital assets being depreciated, net	<u>13,756,498</u>
Total noncurrent assets	<u>20,430,319</u>
Total assets	<u>\$ 26,158,201</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 333,116
Accrued payroll liabilities	128,781
Compensated absences	78,175
Current portion of long-term debt	<u>359,475</u>
Total current liabilities	<u>899,547</u>
Noncurrent liabilities	
Bonds and notes less current portion	<u>4,672,853</u>
Total noncurrent liabilities	<u>4,672,853</u>
Total liabilities	<u>5,572,400</u>
Net position	
Net investment in capital assets	15,319,207
Restricted for capital projects	853,668
Restricted for debt services	1,420,872
Unrestricted	<u>2,992,054</u>
Total net position	<u>20,585,801</u>
Total liabilities and net position	<u>\$ 26,158,201</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Statement of Activities
For the Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government					
Governmental activities:					
General government	\$ 3,916,772	82,535	523,976	-	(3,310,261)
Public safety	584,358	41,902	515,077	-	(27,379)
Culture and recreation	664,200	65,661	106,352	-	(492,187)
Public works	504,861	-	344,600	-	(160,261)
Total governmental activities	<u>\$ 5,670,191</u>	<u>190,098</u>	<u>1,490,005</u>	<u>-</u>	<u>(3,990,088)</u>
General Revenues and Special Items					
Taxes					
Gross receipts					1,185,886
Property					1,746,757
Franchise					307,393
State shared					947,989
Lodgers'					4,607
Licenses and permits					216,611
Fines and forfeitures					77,631
Investment income					3,060
Gain/(loss) on disposition of assets					(51,701)
Miscellaneous					<u>127,207</u>
Total general revenues					<u>4,565,440</u>
Change in net position					575,352
Net position, beginning of year					<u>20,010,449</u>
Net position, end of year					<u>\$ 20,585,801</u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
Village of Corrales
Balance Sheet - Governmental Funds
As of June 30, 2014

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	Capital Project Funds						
	General Fund	Far North West Sector	Waste Water Project	Road Co-op			
Assets							
Cash and investments	\$ 2,180,836	-	284,080	26,192		2,931,030	5,422,138
Accounts receivable (net of allowance for uncollectibles)	169,712	-	1	-		136,031	305,744
Due from other funds	244,491	16,504	191,709	-		108,270	560,974
Cash - restricted	-	78,784	-	-		-	78,784
Total assets	<u>\$ 2,595,039</u>	<u>95,288</u>	<u>475,790</u>	<u>26,192</u>		<u>3,175,331</u>	<u>6,367,640</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	103,896	3,184	646	150,431		74,959	333,116
Accrued liabilities	109,012	-	-	-		19,769	128,781
Due to other funds	20,000	19,703	416,208	3,398		101,665	560,974
Total liabilities	232,908	22,887	416,854	153,829		196,393	1,022,871
Deferred inflows of resources							
Unavailable revenue-property taxes	80,753	-	-	-		11,612	92,365
Fund balances							
Restricted for:							
Special revenue	-	-	-	-		824,923	824,923
Capital projects	-	72,401	58,936	-		722,331	853,668
Debt service	-	-	-	-		1,420,872	1,420,872
Assigned-petty cash	250	-	-	-		-	250
Unassigned	2,281,128	-	-	(127,637)		(800)	2,152,691
Total fund balances	2,281,378	72,401	58,936	(127,637)		2,967,326	5,252,404
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,595,039</u>	<u>95,288</u>	<u>475,790</u>	<u>26,192</u>		<u>3,175,331</u>	<u>6,367,640</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Reconciliation of the Balance Sheet to the Statement of Net Position
As of June 30, 2014**

Total fund balances for governmental funds	\$	5,252,404
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Government capital assets	32,602,420	
Accumulated depreciation	<u>(12,250,885)</u>	20,351,535
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	(359,475)	
Bonds and notes - long term	(4,672,853)	
Compensated absences	<u>(78,175)</u>	(5,110,503)
A portion of property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		<u>92,365</u>
Net position of governmental activities	\$	<u><u>20,585,801</u></u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	Capital Project Funds						
	General Fund	Far North West Sector	Waste Water Project	Road Co-op			
Revenues							
Taxes:							
Gross receipts	\$ 1,185,886	-	-	-	-	-	1,185,886
Property	1,434,969	-	-	-	219,423	-	1,654,392
Franchise	307,393	-	-	-	-	-	307,393
State shared	943,706	-	-	-	4,283	-	947,989
Lodgers'	-	-	-	-	4,607	-	4,607
Licenses and permits	216,611	-	-	-	-	-	216,611
Intergovernmental:							
Federal grants	-	-	19,042	-	282,225	-	301,267
State grants	402,177	-	-	-	786,561	-	1,188,738
Charges for services	147,933	41,902	-	-	263	-	190,098
Fines and forfeitures	45,710	-	-	-	31,921	-	77,631
Investment income	1,552	848	-	-	660	-	3,060
Miscellaneous	<u>37,130</u>	<u>-</u>	<u>-</u>	<u>534</u>	<u>89,543</u>	<u>-</u>	<u>127,207</u>
Total revenues	<u>4,723,067</u>	<u>42,750</u>	<u>19,042</u>	<u>534</u>	<u>1,419,486</u>	<u>-</u>	<u>6,204,879</u>
Expenditures							
Current:							
General government	3,217,186	-	-	-	3,226	-	3,220,412
Public safety	88,103	-	-	-	244,115	-	332,218
Public works	22,575	1,106	-	-	168,527	-	192,208
Culture and recreation	462,996	-	-	-	120,519	-	583,515
Debt service:							
Principal retirement	-	1,062,069	-	-	910,554	-	1,972,623
Interest	-	62,567	-	-	96,853	-	159,420
Capital outlay	<u>274,357</u>	<u>284,120</u>	<u>25,432</u>	<u>286,388</u>	<u>380,010</u>	<u>-</u>	<u>1,250,307</u>
Total expenditures	<u>4,065,217</u>	<u>1,409,862</u>	<u>25,432</u>	<u>286,388</u>	<u>1,923,804</u>	<u>-</u>	<u>7,710,703</u>
Excess (deficiency) of revenues over (under) expenditures	657,850	(1,367,112)	(6,390)	(285,854)	(504,318)	-	(1,505,824)
Other financing sources (uses)							
Transfers in	147,336	961,596	-	112,469	796,399	-	2,017,800
Transfers (out)	(228)	(1,362)	-	-	(2,016,210)	-	(2,017,800)
Bond issue costs	-	-	-	-	(115,963)	-	(115,963)
Loan proceeds	-	-	-	-	3,445,000	-	3,445,000
Total other financing sources (uses)	<u>147,108</u>	<u>960,234</u>	<u>-</u>	<u>112,469</u>	<u>2,109,226</u>	<u>-</u>	<u>3,329,037</u>
Net change in fund balances	804,958	(406,878)	(6,390)	(173,385)	1,604,908	-	1,823,213
Fund balance, beginning of year	<u>1,476,420</u>	<u>479,279</u>	<u>65,326</u>	<u>45,748</u>	<u>1,362,418</u>	<u>-</u>	<u>3,429,191</u>
Fund balances, end of year	<u>\$ 2,281,378</u>	<u>72,401</u>	<u>58,936</u>	<u>(127,637)</u>	<u>2,967,326</u>	<u>-</u>	<u>5,252,404</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ 1,823,213

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

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 are reported as depreciation expense. This is the amount by which capital outlay exceeded the depreciation expense.

Capital outlay	1,289,411	
Loss on disposal of capital assets	(51,701)	
Depreciation expense	<u>(1,008,559)</u>	
		229,151

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 position.

Principal retirements	1,996,636	
Loan proceeds	<u>(3,445,000)</u>	
		(1,448,364)

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.

Net change in compensated absences		(9,812)
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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 the accrual basis, revenues and related receivables are reported regardless of when financial resources are available. This adjustment combines the net changes of balances.

		<u>(18,836)</u>
Change in net position of governmental activities	\$	<u><u>575,352</u></u>

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Gross receipts	\$ 1,094,224	1,116,108	1,185,886	69,778
Property	1,372,487	1,372,487	1,458,281	85,794
Franchise	285,000	285,000	306,426	21,426
State-shared	800,000	923,500	943,706	20,206
Licenses and permits	121,500	121,500	216,456	94,956
State grants	457,399	475,090	400,342	(74,748)
Charges for services	129,000	129,000	147,933	18,933
Fines and forfeitures	50,000	50,000	45,710	(4,290)
Interest on investments	6,000	6,000	1,552	(4,448)
Miscellaneous	18,000	18,000	61,960	43,960
Total revenues	<u>\$ 4,333,610</u>	<u>4,496,685</u>	<u>4,768,252</u>	<u>271,567</u>
Expenditures				
Current				
General government	3,398,367	3,540,980	3,099,736	441,244
Public safety	82,161	98,852	84,785	14,067
Culture and recreation	436,648	440,165	445,471	(5,306)
Public works	316,874	316,874	21,720	295,154
Capital outlay	<u>44,163</u>	<u>594,163</u>	<u>250,287</u>	<u>343,876</u>
Total expenditures	4,278,213	4,991,034	3,901,999	1,089,035
Revenues over/(under) expenditures before other financing sources/(uses)	55,397	(494,349)	866,253	1,360,602
Other financing sources (uses):				
Transfers in	130,000	130,000	146,599	16,599
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>130,000</u>	<u>130,000</u>	<u>146,599</u>	<u>16,599</u>
Net change in fund balance	<u>\$ 185,397</u>	<u>(364,349)</u>	<u>1,012,852</u>	
Prior year cash balance	<u>\$ 1,097,947</u>	<u>1,097,947</u>	<u>1,097,947</u>	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 1,012,852
To adjust applicable revenue accruals and deferrals	(44,675)
To adjust applicable expenditure accruals	<u>(163,219)</u>
Change in fund balance (GAAP basis)	<u>\$ 804,958</u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

Assets	
Cash	\$ <u>658</u>
Total assets	<u>658</u>
Liabilities	
Deposits payable	<u>658</u>
Total liabilities	\$ <u>658</u>

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Notes to the Financial Statements
For the Year Ended June 30, 2014

1) Summary of Significant Accounting Policies

Reporting Entity

The Village of Corrales (Village) 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 6 council members plus the mayor, all of whom are elected at large.

This summary of significant accounting policies of the 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 is made by applying the criteria set forth in GAAP.

The basis (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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. 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*.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Notes to the Financial Statements
For the Year Ended June 30, 2014

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

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.

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, deferred outflows, liabilities, deferred inflows, 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. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has no business-type activities and has three major governmental funds. The Village reports the following major governmental funds:

- *General Fund*—This is the primary operating fund of the Village. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Far Northwest Sector (Capital Projects Fund)*—This fund accounts for the legislative appropriation and debt proceeds to be used to create a lighted access road from the Village to Rio Rancho at the intersection of Northern Blvd and Highway 528.

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For the Year Ended June 30, 2014

- *Waste Water Project (Capital Projects Fund)*—This fund accounts for the grant and loan funds used for the construction of the sewer system in the Village.
- *Road Co-op (Capital Projects Fund)*—This fund accounts for state funding to do Co-op projects. Village will pay 25% and the state pays 75%. The Village's Council approves road projects to be completed for the fiscal year. Gasoline tax is reported in this fund to supplement the road projects.

Additionally, the Village reports the following fund type:

- *Fiduciary fund* – This 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.

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 revenues include 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 this order as needed.

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. Infrastructure, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are recorded at historical cost.

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For the Year Ended June 30, 2014**

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

Categories	Estimated Useful Lives
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 consist of receivables from grantors and various taxes and other receivables.

Compensated Absences

Compensated absences are accrued in the statement of net position. As of June 30, 2014, those liabilities were approximately \$78,174.

The maximum number of accrued annual vacation hours, which may be carried forward to any new calendar year is 160 hours.

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.

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 U.S. GAAP, an accrual for compensated absences is reflected in the accompanying 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 more than one year. In the fund level financial statements, 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 a fund liability of a governmental fund.

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Fund Balance

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 includes amounts that cannot be spent because they are either (a) not in spendable form such as prepaid items or inventories; or (b) are legally or contractually required to be maintained intact.

The spendable portion of 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 restriction 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.

- **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 Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net investment in capital assets 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 position is 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. When both restricted and unrestricted net position is available for expenses, unrestricted funds are applied first.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosures of

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For the Year Ended June 30, 2014

contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet for governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The Village has no deferred outflows of resources during fiscal year.

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then.

The Village has the following deferred inflows of resources during fiscal year 2014 on the fund financials, related to property tax receivables that were not available to the Village in 60 days after year-end:

<u>Deferred Inflows of Resources - Fund Financials</u>	<u>Total</u>
Property tax receivables	\$ <u><u>92,365</u></u>

Budgets and Budgetary Accounting

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 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 in fund total, which may include budgeted cash, and investments as reserves. Appropriations usually lapse at year-end unless intended for multi-year use.

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Notes to the Financial Statements
For the Year Ended June 30, 2014

- 6) The Village adopts budgets for each individual fund.
- 7) DFA render their final budget approval no later than September 1 of the budget year in question.
- 8) During the course of the fiscal year, the Village prepares monthly budget reports. Under New Mexico State law, each year's budget appropriation legally lapses at year-end.
- 9) *Budgetary Compliance* – Budgetary control is required to be maintained at the individual fund level.
- 10) Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.
- 11) *Budget Amendments* – Budget increases and decreases can only be accomplished by Council resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.
- 12) *Budgetary Basis* – State law prescribes that the Village's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.
- 13) The accompanying Statements of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.
- 14) Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

2) Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of net position date but before the financial statements are issued. The Village recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process of preparing the financial statements. The Village's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position but arose after the statement of net position date and before financial statements are available to be issued. The Village has evaluated subsequent events through December 12, 2014, which is the date the financial statements were available to be issued.

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Notes to the Financial Statements
For the Year Ended June 30, 2014**

3) Cash and Cash Equivalents and Investments

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 Investment Pool.

<u>Wells Fargo Bank</u>	<u>Type</u>	<u>Per Bank 6/30/2014</u>	<u>Deposits In Transit</u>	<u>Outstanding Checks</u>	<u>Per Books 6/30/2014</u>
General	Checking	\$ 2,069,557	898,726	(98,096)	2,870,187
Payroll	Checking	-	-	(142)	(142)
Farmland	Checking	238,226	65	-	238,291
Impact fee	Checking	170,459	-	(121,043)	49,416
Bosque	Checking	45,104	-	-	45,104
Court Bond	Checking	658	-	-	658
Savings	Savings	655,358	81	-	655,439
Total cash in banks		<u>\$ 3,179,362</u>	<u>898,872</u>	<u>(219,281)</u>	<u>3,858,953</u>

Plus:

Cash on Hand	\$ 250
Funds Held by New Mexico Finance Authority	
Loan Funds	1,222,612
Loan reserve accounts	73,797
Loan debt service accounts	11,790
State Treasurer's Office - Investment pool	334,178
Total cash and cash equivalents per books	<u>5,501,580</u>

As reported in the financial statements:

Cash	5,422,138
Restricted cash	78,784
Agency fund	658
Total cash and investments	<u>\$ 5,501,580</u>

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For the Year Ended June 30, 2014**

Pledged Collateral at Banks

	<u>Wells Fargo</u>
Deposits	\$ 3,179,362
Less FDIC Coverage	<u>(250,000)</u>
Total uninsured public funds	2,929,362
Collateral pledged:	
Wells Fargo Bank, N.A.	
FNMA, 09/01/43 CUSIP, 3138XU1	218,734
FNMA, 12/01/39 CUSIP, 31419AGZ4	<u>4,721,391</u>
Pledged collateral held by the pledging bank's trust department or agent, not in the Village's name	4,940,125
Collateral requirement (50% of uninsured funds)	1,464,681
Pledged collateral	<u>4,940,125</u>
Over (under) collateralized	<u>\$ 3,475,444</u>

Investments

The Village invests excess cash in the State Treasurer Local Government Investment Pool (LGIP). The Pool's investments are valued at fair value based on quoted market prices as of the valuation date. The New Mexico State Treasurer LGIP is not registered with the SEC. Section 6-10-10.1, 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 , the Village had \$334,178 invested in the LGIP which is AAAM rated with an 48.6 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) Capital Outlay Appropriation

Capital Outlay appropriations are as follows:

<u>Capital Project Fund</u>	<u>Project Appropriation</u>	<u>Expenditures to Date</u>	<u>Unexpended</u>	<u>Appropriation Period</u>
Ella Road	\$ <u>280,000</u>	<u>117,108</u>	<u>162,892</u>	9/2012 to 6/2014, extended to 6/30/15

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

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For the Year Ended June 30, 2014**

5) Receivables

Receivables as of June 30, 2014 for the Village's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Far Northwest Sector	Waste Water Project	Road Co-op	Non- major
Receivables:					
Accounts	\$ -	-	-	-	-
Property taxes	112,070	-	-	-	15,832
Franchise taxes	39,831	-	-	-	-
Grants	-	-	1	-	120,199
Fines and fees	57,131	-	-	-	-
Gross receivables	209,032	-	1	-	136,031
Less: allowance for uncollectibles	(39,320)	-	-	-	-
Total accounts receivable, net	\$ 169,712	-	1	-	136,031

The receivables of the general, non-major, 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.

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For the Year Ended June 30, 2014**

6) Capital Assets

Capital asset activity for the year ended, June 30, 2014 is as follows:

	<u>2013</u>	<u>Additions</u>	<u>Deletions and Reclass</u>	<u>2014</u>
Capital assets not being depreciated:				
Land	\$ 5,887,707	-	-	5,887,707
Water rights	230,621	-	-	230,621
Construction in progress	4,683,361	1,081,706	(5,288,358)	476,709
Total capital assets not being depreciated	<u>10,801,689</u>	<u>1,081,706</u>	<u>(5,288,358)</u>	<u>6,595,037</u>
Capital assets being depreciated:				
Buildings and building improvements	5,237,376	-	-	5,237,376
Equipment and machinery	1,360,486	156,587	-	1,517,073
Furniture and fixtures	1,031,699	-	-	1,031,699
Library books	207,058	-	-	207,058
Vehicles	2,124,408	51,118	(20,578)	2,154,948
Infrastructure	10,601,994	-	5,257,235	15,859,229
Total capital assets being depreciated	<u>20,563,021</u>	<u>207,705</u>	<u>5,236,657</u>	<u>26,007,383</u>
Less accumulated depreciation for				
Buildings and building improvements	(2,043,932)	(143,017)	-	(2,186,949)
Equipment and machinery	(1,132,424)	(66,837)	-	(1,199,261)
Furniture and fixtures	(691,993)	(32,158)	-	(724,151)
Library books	(94,595)	(32,880)	-	(127,475)
Vehicles	(1,280,022)	(134,985)	-	(1,415,007)
Infrastructure	(5,999,360)	(598,682)	-	(6,598,042)
Total accumulated depreciation	<u>(11,242,326)</u>	<u>(1,008,559)</u>	<u>-</u>	<u>(12,250,885)</u>
Total capital assets being depreciated, net	<u>9,320,695</u>	<u>(800,854)</u>	<u>5,236,657</u>	<u>13,756,498</u>
Capital assets, net	<u>\$ 20,122,384</u>	<u>280,852</u>	<u>(51,701)</u>	<u>20,351,535</u>

Depreciation was charged to functions/programs of the primary government for the year ended June 30, 2014 as follows:

Governmental Activities:

General government	\$ 363,081
Public safety	252,140
Public works	312,653
Culture and recreation	80,685
Total	<u>\$ 1,008,559</u>

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Notes to the Financial Statements
For the Year Ended June 30, 2014**

7) Interfund Receivables, Payables and Transfers

The outstanding balances between funds results 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 Interfund receivables and payables at June 30, 2014 were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 244,491	20,000
Far Northwest Sector	16,504	19,703
WasteWater Project	191,709	416,208
Road Co-op	-	3,398
Nonmajor Funds	108,270	101,665
Total	<u>\$ 560,974</u>	<u>560,974</u>

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions. All transfers made during the year were considered routine and were consistent with the general characteristics of the Village's transfers. The following schedule details the net interfund transfers made by the Village during the year ended:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 147,336	228
Far Northwest Sector	961,596	1,362
WasteWater Project	-	-
Road Co-op	112,469	-
Nonmajor Funds	796,399	2,016,210
Total	<u>\$ 2,017,800</u>	<u>2,017,800</u>

8) Long-term Debt

Long-term liability activity for the year ended was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
General obligation bonds	\$ 1,105,000	3,445,000	(395,000)	4,155,000	320,000
Notes payable	2,478,964	-	(1,601,636)	877,328	39,475
Compensated absences	68,363	79,062	(69,250)	78,175	78,175
Total	<u>\$ 3,652,327</u>	<u>3,524,062</u>	<u>(2,065,886)</u>	<u>5,110,503</u>	<u>437,650</u>

The general obligation bonds series 2005 were issued on August 31, 2004 for \$1,700,000. The interest rates range from 2.71% to 4.17%. Portions of the bonds will mature on August 1st of each year commencing August 1, 2006, and ending no later than August 1, 2018 in amounts to be determined by the Village. The semi-annual payments vary from \$31,440 to \$266,427 and are due on the 1st of August and February of each year.

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For the Year Ended June 30, 2014

On June 1, 2007, the Village borrowed \$1,035,000 from the New Mexico Finance Authority for equipment and road improvements. The loan bears interest at 3.9606% and is payable in installment payments through May 2027. Pledged revenues for the payment of this loan are 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 3.5% 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 1st of August and February of each year. The bonds are payable from ad valorem taxes levied on all taxable property within the Village.

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 and 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 2013 continuing through May 2031. Revenues pledged for payment of this loan are from the distributions of state shared gross receipts tax revenue.

In 2013, 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 years. The first annual installment on the loan will be due within one year of 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 as collected. 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.

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**STATE OF NEW MEXICO
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Notes to the Financial Statements
For the Year Ended June 30, 2014**

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

June 30,	Bonds		Notes	
	Principal	Interest	Principal	Interest
2015	\$ 320,000	140,831	39,475	34,283
2016	330,000	131,176	40,181	33,506
2017	335,000	121,068	41,033	32,725
2018	345,000	110,459	42,047	31,711
2019	270,000	101,028	43,237	30,521
2020-2024	775,000	426,463	239,785	129,005
2025-2029	910,000	290,963	294,011	74,779
2030-2034	870,000	92,620	137,559	9,954
2035-2039	-	-	-	-
Total	\$ <u>4,155,000</u>	<u>1,414,608</u>	<u>877,328</u>	<u>376,484</u>

9) Deferred Compensation Plan

The Village's 457 deferred compensation plan was established on July 1 1993. The 457 plan contribution from employees was \$40,324 for the year ended. The plan assets for the 457 plan are held at ICMA-RC Services, LLC.

10) Retirement Plans

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.

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, 2014, and were \$164,887, \$137,313, and \$130,292, respectively, which equal the amount of the required contributions for each fiscal year.

401(k) Plan

The Village started a 401(k) plan on July 1, 2005. The 401(k) plan is held at ICMA-RC Services, LLC. In 2007, an increase was allowed for the Village contribution (7%-9%) of the participant compensation. Employees can contribute up to 7% of their compensation to the 401(k) plan. The 401(k) contribution for the year ended was \$18,610, which consisted of \$8,723 for the Village

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Notes to the Financial Statements
For the Year Ended June 30, 2014

and \$9,887 from employees. The employees who chose to continue participating in the 401(k) plan gave up the opportunity to participate in the PERA.

11) 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. Claims have not exceeded coverage in each of the past three years.

12) 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 \$122,419 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, 2013. There were payments of \$8,846 made under this agreement for the fiscal year ending . Revenues and expenditures are reported to DFA.

A Joint Powers Agreement between the Village and the City of Rio Rancho to provide for a 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 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 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.

13) Memorandum of Agreement

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.

A Memorandum of Agreement (MOA) between the Village and the New Mexico Department of Transportation was entered into on March 15, 2011. The MOA is to authorize and encumber

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Notes to the Financial Statements
For the Year Ended June 30, 2014**

\$25,000 in Safe Routes to School (SRTS) Phase 2 noninfrastructure funds for the Village to implement and develop a SRTS education and encouragement program.

14) Commitments and Contingencies

The Village had no significant commitments outstanding as of June 30, 2014.

15) Implementation of New GASB Standards

In June 2012, The Governmental Accounting Standards Board (GASB) approved Statement No. 67, Financial Reporting for Pension Plans, which applies to pension plans that administer pension benefits. The Public Employees Retirement Association (PERA) administers the pension for the Village. Statement No. 68, Accounting and Financial Reporting for Pensions, which applies to governments that provide pension benefits to their employees.

GASB 67 Financial Reporting for Pension Plans

Requires changes to presentation in financial statements, notes to the financial statements, and required supplementary information in PERA's financial report. GASB 67 will be implemented in FY 2014 by PERA.

GASB 68 Accounting and Financial Reporting for Pensions

Applies the changes implemented at the pension plan level (PERA) under GASB 67 and segregates and divides, or allocates, the pension liability to each participating employer (state, municipal, judicial, magistrate, volunteer firefighters, and legislative). The statement implementation date is FY 2015.

PERA's Current Implementation and Timeline

Implement GASB 67

GASB 67 will require the net pension liability to be disclosed in PERA's FY 2014 financial report. The total "collective" pension liability will then be allocated to the participant employers for FY 2015 financial reporting.

PERA plans to separately issue an audited report, referred to as the "Schedule of Employer Allocations" that will allocate the total pension liability *by employer*. The report will also include other required information that will be used by each employer participant for disclosure in each employer's FY 2015 financial reports.

Anticipated process and timeline is as follows:

1. The "Schedule of Employer Allocations" is provided to PERA's external auditor in January of 2015.
2. PERA's external auditor's will audit the "Schedule of Employer Allocations" in February of 2015 and submit that report to the State Auditor's Office for review in March of 2015. *(See also 2.2.2.10 NMAC Sections CC and DD)*
3. The "Schedule of Employer Allocations" will be provided to employers in April of 2015, allowing enough time for incorporation into financial reports as required by GASB 68, after the June 30, 2015 year-end.

In FY 15, the Village will report a net pension liability based on its proportion of the collective net pension liability of all of the governments participating.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

NONMAJOR 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 Village'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 is subsidized by the General Fund.

Fire Wildlands Fund – accounts for reimbursement of funds received from State Forestry when the Village fire department deploys units to assist in fires in the State of New Mexico.

Fire Protection Fund – authorized by 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 Village Council 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 the 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.

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

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, interest on investments and miscellaneous revenues.

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 – to account for grants to create a master plan for safe routes to school for children.

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, transporting and recycling of all recyclable materials and scrap tires.

Fire Donation – to account for donations received for fire purchases.

Keep New Mexico Beautiful – account for state funding to control litter in local governments and to establish a youth employment program to aid in litter control and beautification projects.

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).

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

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

Fire Protection – to account for state funding to support various fire related projects.

Public Safety Communication Equip Fund – to account for legislative funding to purchase various equipment related to public safety.

Recreation Facilities Improvements – to account for recreation facilities improvements.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

NONMAJOR CAPITAL PROJECTS FUNDS

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 and 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.

Fire Truck Capital – an authorized fund by the Village of internal financing to acquire a new fire truck in September 2013 for the Village fire department.

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.

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.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

NONMAJOR DEBT SERVICE FUNDS

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

CWSRF Debt – to account for monies for payment of principal and interest related to CWSRF debt obligation.

Capital Bonding – to account for monies for payment of principal and interest related to capital bond.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combining Balance Sheet
As of June 30, 2014**

	<u>Correct-ions</u>	<u>Court AOC</u>	<u>EMS</u>	<u>Fire Wildlands</u>	<u>Fire Protection</u>	<u>Law Enforce- ment Protection Fund</u>	<u>Traffic Safety</u>
Assets							
Cash and investments	\$ 326,419	-	8,892	7,508	15,866	38	16,378
Receivables	-	10,646	-	-	-	-	2,318
Due from other funds	-	-	-	-	8,098	40	-
Total assets	<u>\$ 326,419</u>	<u>10,646</u>	<u>8,892</u>	<u>7,508</u>	<u>23,964</u>	<u>78</u>	<u>18,696</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	2,791	-	-	-	2,654	-	33
Accrued liabilities	-	-	-	-	-	-	1,199
Due to other funds	-	8,269	-	758	-	40	1,947
Total liabilities	<u>2,791</u>	<u>8,269</u>	<u>-</u>	<u>758</u>	<u>2,654</u>	<u>40</u>	<u>3,179</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Special revenue	323,628	2,377	8,892	6,750	21,310	38	15,517
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>323,628</u>	<u>2,377</u>	<u>8,892</u>	<u>6,750</u>	<u>21,310</u>	<u>38</u>	<u>15,517</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 326,419</u>	<u>10,646</u>	<u>8,892</u>	<u>7,508</u>	<u>23,964</u>	<u>78</u>	<u>18,696</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combining Balance Sheet
As of June 30, 2014**

	<u>Library</u>	<u>Lodgers' Tax Refund</u>	<u>Economic Develop- ment</u>	<u>Municipal Street</u>	<u>Recreation</u>	<u>FEMA-Fire Equipment</u>	<u>Safe Routes to School</u>
Assets							
Cash and investments	\$ 52,567	3,212	26,161	1,500	3,770	-	7,887
Receivables	42,412	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 94,979</u>	<u>3,212</u>	<u>26,161</u>	<u>1,500</u>	<u>3,770</u>	<u>-</u>	<u>7,887</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	17,298	1,505	13,000	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	9,994	-	-	-	3,508
Total liabilities	<u>17,298</u>	<u>1,505</u>	<u>22,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,508</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Special revenue	77,681	1,707	3,167	1,500	3,770	-	4,379
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>77,681</u>	<u>1,707</u>	<u>3,167</u>	<u>1,500</u>	<u>3,770</u>	<u>-</u>	<u>4,379</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 94,979</u>	<u>3,212</u>	<u>26,161</u>	<u>1,500</u>	<u>3,770</u>	<u>-</u>	<u>7,887</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combining Balance Sheet
As of June 30, 2014**

	<u>Recycling Grant</u>	<u>Fire Donation</u>	<u>Keep New Mexico Beautiful</u>	<u>Police Special</u>	<u>Mid-Rio Grande Valley</u>	<u>YCC Grant</u>	<u>Fire Protection Grant</u>
Assets							
Cash and investments	\$ 1,831	332	-	213,992	45,990	7,444	115,293
Receivables	-	-	-	-	-	62,159	-
Due from other funds	-	-	-	-	-	4,186	-
Total assets	<u>\$ 1,831</u>	<u>332</u>	<u>-</u>	<u>213,992</u>	<u>45,990</u>	<u>73,789</u>	<u>115,293</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	-	-	-	4,243	-	82	7,939
Accrued liabilities	-	-	-	-	-	18,570	-
Due to other funds	1,731	225	800	710	26,036	37,673	-
Total liabilities	<u>1,731</u>	<u>225</u>	<u>800</u>	<u>4,953</u>	<u>26,036</u>	<u>56,325</u>	<u>7,939</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	-	-	-	-	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Special revenue	100	107	-	209,039	19,954	17,464	107,354
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unassigned	-	-	(800)	-	-	-	-
Total fund balances	<u>100</u>	<u>107</u>	<u>(800)</u>	<u>209,039</u>	<u>19,954</u>	<u>17,464</u>	<u>107,354</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,831</u>	<u>332</u>	<u>-</u>	<u>213,992</u>	<u>45,990</u>	<u>73,789</u>	<u>115,293</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combining Balance Sheet
As of June 30, 2014**

	Public Safety Comm- unication Equipment	Recreation Facilities Improve- ments	Special Revenue Total	Farmland Preser- vation	Fire Truck Capital	Loma Larga	Public Safety Facilities
Assets							
Cash and investments	\$ -	-	855,080	238,215	57,387	-	-
Receivables	2,664	-	120,199	-	-	-	-
Due from other funds	-	-	12,324	30,093	-	65,853	-
Total assets	<u>\$ 2,664</u>	<u>-</u>	<u>987,603</u>	<u>268,308</u>	<u>57,387</u>	<u>65,853</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	-	-	49,545	-	-	-	-
Accrued liabilities	-	-	19,769	-	-	-	-
Due to other funds	2,475	-	94,166	-	-	7,499	-
Total liabilities	<u>2,475</u>	<u>-</u>	<u>163,480</u>	<u>-</u>	<u>-</u>	<u>7,499</u>	<u>-</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Special revenue	189	-	824,923	-	-	-	-
Capital projects	-	-	-	268,308	57,387	58,354	-
Debt service	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>189</u>	<u>-</u>	<u>824,123</u>	<u>268,308</u>	<u>57,387</u>	<u>58,354</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,664</u>	<u>-</u>	<u>987,603</u>	<u>268,308</u>	<u>57,387</u>	<u>65,853</u>	<u>-</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combining Balance Sheet
As of June 30, 2014**

	Residential Roads and Drainage	Capital Projects Total	Capital Bonding	Debt Service General Obligations	CWSRF Debt	Debt Service Total	Nonmajor Govern- mental Funds
Assets							
Cash and investments	\$ 363,696	659,298	1,177,702	238,950	-	1,416,652	2,931,030
Receivables	-	-	-	15,832	-	15,832	136,031
Due from other funds	-	95,946	-	-	-	-	108,270
Total assets	<u>\$ 363,696</u>	<u>755,244</u>	<u>1,177,702</u>	<u>254,782</u>	<u>-</u>	<u>1,432,484</u>	<u>3,175,331</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	25,414	25,414	-	-	-	-	74,959
Accrued liabilities	-	-	-	-	-	-	19,769
Due to other funds	-	7,499	-	-	-	-	101,665
Total liabilities	<u>25,414</u>	<u>32,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,393</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	-	-	-	11,612	-	11,612	11,612
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
Special revenue	-	-	-	-	-	-	824,923
Capital projects	338,282	722,331	-	-	-	-	722,331
Debt service	-	-	1,177,702	243,170	-	1,420,872	1,420,872
Unassigned	-	-	-	-	-	-	(800)
Total fund balances	<u>338,282</u>	<u>722,331</u>	<u>1,177,702</u>	<u>243,170</u>	<u>-</u>	<u>1,420,872</u>	<u>2,967,326</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 363,696</u>	<u>755,244</u>	<u>1,177,702</u>	<u>254,782</u>	<u>-</u>	<u>1,432,484</u>	<u>3,175,331</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combined - Revenue, expenditures, and changes in fund balances
For the Year Ended June 30, 2014**

	<u>Correct- ions</u>	<u>Court AOC</u>	<u>EMS</u>	<u>Fire Wildlands</u>	<u>Fire Protection</u>	<u>Law Enforce- ment Protection</u>	<u>Traffic Safety</u>
Revenues							
Taxes:							
Property	\$ -	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	-
Lodgers'	-	-	-	-	-	-	-
Intergovernmental:							
Federal grants	-	-	-	8,846	-	-	112,207
State grants	-	-	10,474	-	201,387	29,000	3,633
Charges for services	-	-	-	248	-	-	15
Fines and forfeitures	31,921	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Miscellaneous	-	15,681	-	-	-	-	-
Total revenues	\$ 31,921	15,681	10,474	9,094	201,387	29,000	115,855
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	16,194	15,681	7,251	9,568	102,690	-	12,735
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and debt issuance costs	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	29,000	102,997
Total expenditures	\$ 16,194	15,681	7,251	9,568	102,690	29,000	115,732
Revenues over (under) expenditures before other financing sources (uses)	15,727	-	3,223	(474)	98,697	-	123
Other financing sources (uses)							
Transfers in (out)	-	-	-	-	(77,387)	-	-
Loan proceeds	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(77,387)	-	-
Net changes in fund balances	15,727	-	3,223	(474)	21,310	-	123
Fund balance (deficit), beginning of year	307,901	2,377	5,669	7,224	-	38	15,394
Fund balance, end of year	\$ 323,628	2,377	8,892	6,750	21,310	38	15,517

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combined - Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	<u>Library</u>	<u>Lodgers' Tax</u>	<u>Economic Develop- ment</u>	<u>Municipal Street</u>	<u>Recreation</u>	<u>FEMA-Fire Equip-ment</u>	<u>Safe Routes to School</u>
Revenues							
Taxes:							
Property	-	-	-	-	-	-	-
State-shared	-	-	-	4,283	-	-	-
Lodgers'	-	4,607	-	-	-	-	-
Intergovernmental:							
Federal grants	-	-	-	-	-	-	-
State and other grants	93,352	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Miscellaneous	29,860	-	-	1,500	500	-	-
Total revenues	<u>\$ 123,212</u>	<u>4,607</u>	<u>-</u>	<u>5,783</u>	<u>500</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	82,791	7,686	26,000	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and debt issuance costs	-	-	-	-	-	-	-
Capital outlay	42,413	-	-	-	-	-	-
Total expenditures	<u>\$ 125,204</u>	<u>7,686</u>	<u>26,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>(1,992)</u>	<u>(3,079)</u>	<u>(26,000)</u>	<u>5,783</u>	<u>500</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)							
Transfers in (out)	-	-	15,000	(4,283)	-	-	-
Loan proceeds	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>(4,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(1,992)</u>	<u>(3,079)</u>	<u>(11,000)</u>	<u>1,500</u>	<u>500</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), beginning of year	<u>79,673</u>	<u>4,786</u>	<u>14,167</u>	<u>-</u>	<u>3,270</u>	<u>-</u>	<u>4,379</u>
Fund balance, end of year	<u><u>\$ 77,681</u></u>	<u><u>1,707</u></u>	<u><u>3,167</u></u>	<u><u>1,500</u></u>	<u><u>3,770</u></u>	<u><u>-</u></u>	<u><u>4,379</u></u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combined - Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	<u>Recycling Grant</u>	<u>Fire Donation</u>	<u>Keep New Mexico Beautiful</u>	<u>Police Special</u>	<u>Mid-Rio Grande Valley</u>	<u>YCC Grant</u>	<u>Fire Protection Grant</u>
Revenues							
Taxes:							
Property	\$ -	-	-	-	-	-	-
State-shared	-	-	-	-	-	-	-
Lodgers'	-	-	-	-	-	-	-
Intergovernmental:							
Federal grants	-	-	-	161,172	-	-	-
State grants	3,236	-	-	-	-	129,815	100,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Miscellaneous	-	3,050	-	8,099	-	1,414	29,439
Total revenues	<u>\$ 3,236</u>	<u>3,050</u>	<u>-</u>	<u>169,271</u>	<u>-</u>	<u>131,229</u>	<u>129,439</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	2,943	-	74,278	-	-	111
Public works	3,236	-	-	-	-	130,291	-
Culture and recreation	-	-	800	-	-	48	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and debt issuance costs	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	41,974
Total expenditures	<u>\$ 3,236</u>	<u>2,943</u>	<u>800</u>	<u>74,278</u>	<u>-</u>	<u>130,339</u>	<u>42,085</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>107</u>	<u>(800)</u>	<u>94,993</u>	<u>-</u>	<u>890</u>	<u>87,354</u>
Other financing sources (uses)							
Transfers in (out)	-	-	-	-	-	-	20,000
Loan proceeds	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Net changes in fund balances	<u>-</u>	<u>107</u>	<u>(800)</u>	<u>94,993</u>	<u>-</u>	<u>890</u>	<u>107,354</u>
Fund balance (deficit), beginning of year	<u>100</u>	<u>-</u>	<u>-</u>	<u>114,046</u>	<u>19,954</u>	<u>16,574</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 100</u></u>	<u><u>107</u></u>	<u><u>(800)</u></u>	<u><u>209,039</u></u>	<u><u>19,954</u></u>	<u><u>17,464</u></u>	<u><u>107,354</u></u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combined - Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	Public Safety Comm- unication Equipment	Recreation Facilities Improve- ments	Special Revenue Total	Farmland Preser- vation	Fire Truck Capital	Loma Larga	Public Safety Facilities
Revenues							
Taxes:							
Property	-	-	-	-	-	-	-
State-shared	-	-	4,283	-	-	-	-
Lodgers'	-	-	4,607	-	-	-	-
Intergovernmental:							
Federal grants	-	-	282,225	-	-	-	-
State grants	2,664	13,000	586,561	-	-	-	-
Charges for services	-	-	263	-	-	-	-
Fines and forfeitures	-	-	31,921	-	-	-	-
Interest income	-	-	-	376	-	-	-
Miscellaneous	-	-	89,543	-	-	-	-
Total revenues	<u>\$ 2,664</u>	<u>13,000</u>	<u>999,403</u>	<u>376</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	2,664	-	244,115	-	-	-	-
Public works	-	-	133,527	35,000	-	-	-
Culture and recreation	-	3,194	120,519	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and debt issuance costs	-	-	-	-	-	-	-
Capital outlay	-	9,806	226,190	-	-	-	-
Total expenditures	<u>\$ 2,664</u>	<u>13,000</u>	<u>724,351</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>275,052</u>	<u>(34,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)							
Transfers in (out)	-	-	(46,670)	-	57,387	-	-
Loan proceeds	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(46,670)</u>	<u>-</u>	<u>57,387</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>228,382</u>	<u>(34,624)</u>	<u>57,387</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), beginning of year	<u>189</u>	<u>-</u>	<u>595,741</u>	<u>302,932</u>	<u>-</u>	<u>58,354</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 189</u></u>	<u><u>-</u></u>	<u><u>824,123</u></u>	<u><u>268,308</u></u>	<u><u>57,387</u></u>	<u><u>58,354</u></u>	<u><u>-</u></u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Combined - Revenue, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014

	<u>Residential Roads and Drainage</u>	<u>Capital Projects Total</u>	<u>Capital Bonding</u>	<u>Debt Service General Obligations</u>	<u>CWSRF Debt</u>	<u>Debt Service Total</u>	<u>Nonmajor Govern- mental Funds Total</u>
Revenues							
Taxes:							
Property	\$ -	-	-	219,423	-	219,423	219,423
State-shared	-	-	-	-	-	-	4,283
Lodgers'	-	-	-	-	-	-	4,607
Intergovernmental:							
Federal grants	-	-	-	-	-	-	282,225
State grants	200,000	200,000	-	-	-	-	786,561
Charges for services	-	-	-	-	-	-	263
Fines and forfeitures	-	-	-	-	-	-	31,921
Interest income	-	376	284	-	-	284	660
Miscellaneous	-	-	-	-	-	-	89,543
Total revenues	<u>\$ 200,000</u>	<u>200,376</u>	<u>284</u>	<u>219,423</u>	<u>-</u>	<u>219,707</u>	<u>1,419,486</u>
Expenditures							
Current							
General government	-	-	-	3,226	-	3,226	3,226
Public safety	-	-	-	-	-	-	244,115
Public works	-	35,000	-	-	-	-	168,527
Culture and recreation	-	-	-	-	-	-	120,519
Debt service:							
Principal retirement	-	-	185,554	185,000	540,000	910,554	910,554
Interest and debt issuance costs	-	-	31,526	38,316	27,011	96,853	96,853
Capital outlay	153,820	153,820	-	-	-	-	380,010
Total expenditures	<u>\$ 153,820</u>	<u>188,820</u>	<u>217,080</u>	<u>226,542</u>	<u>567,011</u>	<u>1,010,633</u>	<u>1,923,804</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>46,180</u>	<u>11,556</u>	<u>(216,796)</u>	<u>(7,119)</u>	<u>(567,011)</u>	<u>(790,926)</u>	<u>(504,318)</u>
Other financing sources (uses)							
Transfers in (out)	137,000	194,387	(1,934,539)	-	567,011	(1,367,528)	(1,219,811)
Loan proceeds	-	-	3,445,000	-	-	3,445,000	3,445,000
Bond issuance costs	-	-	(115,963)	-	-	(115,963)	(115,963)
Total other financing sources (uses)	<u>137,000</u>	<u>194,387</u>	<u>1,394,498</u>	<u>-</u>	<u>567,011</u>	<u>1,961,509</u>	<u>2,109,226</u>
Net changes in fund balances	183,180	205,943	1,177,702	(7,119)	-	1,170,583	1,604,908
Fund balance (deficit), beginning of year	155,102	516,388	-	250,289	-	250,289	1,362,418
Fund balance, end of year	<u>\$ 338,282</u>	<u>722,331</u>	<u>1,177,702</u>	<u>243,170</u>	<u>-</u>	<u>1,420,872</u>	<u>2,967,326</u>

The accompanying notes are integral to these financial statements

STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Assets				
Cash	\$ 500	158	-	658
Total assets	\$ 500	158	-	658
Liabilities				
Deposits payable	\$ 500	158	-	658
Total liabilities	\$ 500	158	-	658

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

201 - Correction Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	48,000	48,000	31,921	(16,079)
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	48,000	48,000	31,921	(16,079)
Expenditures				
Current				
General government	-	-	-	-
Public safety	48,000	48,000	15,296	32,704
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	48,000	48,000	15,296	32,704
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	16,625	16,625
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	16,625	
Prior year cash balance	\$ 307,901	307,901	307,901	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$	16,625
To adjust applicable revenue accruals and deferrals		-
To adjust applicable expenditure accruals		(898)
Change in fund balance (GAAP basis)	\$	15,727

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

202 - Court AOC Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	22,700	22,700	13,303	(9,397)
Total revenues	22,700	22,700	13,303	(9,397)
Expenditures				
Current				
General government	-	-	-	-
Public safety	22,700	22,700	15,681	7,019
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	22,700	22,700	15,681	7,019
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	(2,378)	(2,378)
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	(2,378)	
Prior year cash balance	\$ 2,377	2,377	2,377	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (2,378)
To adjust applicable revenue accruals and deferrals	2,378
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

206 - EMS Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	9,250	10,532	10,474	(58)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	9,250	10,532	10,474	(58)
Expenditures				
Current				
General government	-	-	-	-
Public safety	9,250	15,646	7,251	8,395
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	9,250	15,646	7,251	8,395
Revenues over/(under) expenditures before other financing sources/(uses)	-	(5,114)	3,223	8,337
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	(5,114)	3,223	
Prior year cash balance	\$ 5,669	5,669	5,669	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 3,223
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ 3,223

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

211 - Law Enforcement Protection Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	29,600	29,000	29,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	29,600	29,000	29,000	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	29,600	29,000	29,000	-
Total expenditures	29,600	29,000	29,000	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ 38	38	38	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

212/235 - Traffic Safety Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	11,000	114,000	112,374	(1,626)
State grants	5,383	5,383	3,633	(1,750)
Charges for services	-	-	15	15
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	16,383	119,383	116,022	(3,361)
Expenditures				
Current				
General government	-	-	-	-
Public safety	16,383	16,283	11,536	4,747
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	103,000	102,997	3
Total expenditures	16,383	119,283	114,533	4,750
Revenues over/(under) expenditures before other financing sources/(uses)	-	100	1,489	1,389
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	100	1,489	
Prior year cash balance	\$ 11,815	11,815	11,815	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 1,489
To adjust applicable revenue accruals and deferrals	(167)
To adjust applicable expenditure accruals	(1,199)
Change in fund balance (GAAP basis)	\$ 123

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

213/302 - Library Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	57,558	157,558	93,226	(64,332)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	4,000	29,950	25,950
Total revenues	57,558	161,558	123,176	(38,382)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	66,227	66,227	81,697	(15,470)
Capital outlay	-	100,000	42,413	57,587
Total expenditures	66,227	166,227	124,110	42,117
Revenues over/(under) expenditures before other financing sources/(uses)	(8,669)	(4,669)	(934)	3,735
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (8,669)	(4,669)	(934)	
Prior year cash balance	\$ 79,693	79,693	79,693	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (934)
To adjust applicable revenue accruals and deferrals	36
To adjust applicable expenditure accruals	(1,094)
Change in fund balance (GAAP basis)	\$ (1,992)

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

214 - Lodgers' Tax Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Lodgers' Tax	-	-	-	-
State-shared	5,000	5,000	4,607	(393)
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	4,607	(393)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	5,000	8,000	7,686	314
Capital outlay	-	-	-	-
Total expenditures	5,000	8,000	7,686	314
Revenues over/(under) expenditures before other financing sources/(uses)	-	(3,000)	(3,079)	(79)
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	(3,000)	(3,079)	
Prior year cash balance	\$ 4,786	4,786	4,786	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (3,079)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ (3,079)

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

215 - Economic Development Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	15,000	15,000	26,000	(11,000)
Capital outlay	-	-	-	-
Total expenditures	15,000	15,000	26,000	(11,000)
Revenues over/(under) expenditures before other financing sources/(uses)	(15,000)	(15,000)	(26,000)	(11,000)
Other financing sources (uses):				
Transfers in (out)	15,000	15,000	15,000	-
Total other financing sources (uses)	15,000	15,000	15,000	-
Net change in fund balance	\$ -	-	(11,000)	
Prior year cash balance	\$ 19,361	19,361	19,361	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (11,000)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ (11,000)

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

216 - Municipal Street Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Lodgers' Tax	-	-	-	-
State-shared	21,000	21,000	4,283	(16,717)
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	1,500	1,500
Total revenues	21,000	21,000	5,783	(15,217)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over/(under) expenditures before other financing sources/(uses)	21,000	21,000	5,783	(15,217)
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ 21,000	21,000	5,783	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 5,783
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	(4,283)
Change in fund balance (GAAP basis)	\$ 1,500

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

217 - Recreation Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	500	500
Total revenues	-	-	500	500
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	500	500
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	500	
Prior year cash balance	\$ 3,270	3,270	3,270	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 500
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ 500

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

219 - FEMA Fire Equipment Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

220 - Safe Routes to School Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	25,000	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	500	500	-	(500)
Total revenues	25,500	500	-	(500)
Expenditures				
Current				
General government	-	-	-	-
Public safety	25,500	500	-	500
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	25,500	500	-	500
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ 7,887	7,887	7,887	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

223 - Recycling Grant Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	3,236	3,236	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	3,236	3,236	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	3,236	3,236	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	3,236	3,236	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ 1,831	1,831	1,831	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

224 - Fire Donation Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	3,050	3,050	-
Total revenues	-	3,050	3,050	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	3,050	2,943	107
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	3,050	2,943	107
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	107	107
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	107	
Prior year cash balance	\$ 226	226	226	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 107
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ 107

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

225 - Keep New Mexico Beautiful Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	3,200	-	(3,200)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	3,200	-	(3,200)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	3,200	800	2,400
Capital outlay	-	-	-	-
Total expenditures	-	3,200	800	2,400
Revenues over/(under) expenditures				
before other financing sources/(uses)	-	-	(800)	(800)
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	(800)	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (800)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ (800)

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

226 - Police Special Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	36,000	116,000	161,172	45,172
State grants	-	3,500	-	(3,500)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	6,000	6,000	8,099	2,099
Total revenues	42,000	125,500	169,271	43,771
Expenditures				
Current				
General government	-	-	-	-
Public safety	42,000	135,467	71,767	63,700
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	42,000	135,467	71,767	63,700
Revenues over/(under) expenditures before other financing sources/(uses)	-	(9,967)	97,504	107,471
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	(9,967)	97,504	
Prior year cash balance	\$ 115,771	115,771	115,771	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 97,504
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	(2,511)
Change in fund balance (GAAP basis)	\$ 94,993

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

231 - Middle Rio Grande Valley Task Force

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ 45,990	45,990	45,990	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
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232 - YCC Grant Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	265,874	122,347	(143,527)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	3,000	3,000	1,414	(1,586)
Total revenues	3,000	268,874	123,761	(145,113)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	73,034	265,874	111,721	154,153
Culture and recreation	-	-	48	(48)
Capital outlay	-	-	-	-
Total expenditures	73,034	265,874	111,769	154,105
Revenues over/(under) expenditures before other financing sources/(uses)	(70,034)	3,000	11,992	8,992
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (70,034)	3,000	11,992	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 11,992
To adjust applicable revenue accruals and deferrals	7,468
To adjust applicable expenditure accruals	(18,570)
Change in fund balance (GAAP basis)	\$ 890

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

234 - Fire Protection Grant Fund

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	100,000	100,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	29,439	29,439	-
Total revenues	<u>-</u>	<u>129,439</u>	<u>129,439</u>	<u>-</u>

Expenditures

Current				
General government	-	-	-	-
Public safety	-	-	111	(111)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	149,439	41,759	107,680
Total expenditures	<u>-</u>	<u>149,439</u>	<u>41,870</u>	<u>107,569</u>
Revenues over/(under) expenditures before other financing sources/(uses)	-	(20,000)	87,569	107,569

Other financing sources (uses):

Transfers in (out)	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>

Net change in fund balance	\$ <u>-</u>	<u>-</u>	<u>107,569</u>
Prior year cash balance	\$ <u>-</u>	<u>-</u>	<u>-</u>

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 107,569
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	<u>(215)</u>
Change in fund balance (GAAP basis)	<u>\$ 107,354</u>

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

209 - Fire Protection Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	166,503	201,387	201,387	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	166,503	201,387	201,387	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	166,503	144,000	114,563	29,437
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	166,503	144,000	114,563	29,437
Revenues over/(under) expenditures before other financing sources/(uses)	-	57,387	86,824	29,437
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	57,387	86,824	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 86,824
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	(65,514)
Change in fund balance (GAAP basis)	\$ 21,310

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

207 - Fire Wildlands Fund

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	8,846	8,846	-
State grants	-	-	-	-
Charges for services	-	-	248	248
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>8,846</u>	<u>9,094</u>	<u>248</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	17,559	16,070	9,568	6,502
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>17,559</u>	<u>16,070</u>	<u>9,568</u>	<u>6,502</u>
Revenues over/(under) expenditures before other financing sources/(uses)	(17,559)	(7,224)	(474)	6,750
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>(17,559)</u>	<u>(7,224)</u>	<u>(474)</u>	
Prior year cash balance	\$ <u>7,224</u>	<u>7,224</u>	<u>7,224</u>	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (474)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	<u>-</u>
Change in fund balance (GAAP basis)	<u>\$ (474)</u>

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

321 - Public Safety Communication Equipment Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	150,000	2,664	(147,336)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	150,000	2,664	(147,336)
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	150,000	2,664	147,336
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	150,000	2,664	147,336
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ 189	189	189	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
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325 - Recreation Facilities Improvements Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	13,000	13,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	13,000	13,000	-
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	3,194	3,194	-
Capital outlay	-	9,806	9,806	-
Total expenditures	-	13,000	13,000	-
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	-	-
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	-	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE — BUDGET AND ACTUAL
For the Year Ended June 30, 2014

316/319 - Far Northwest Sector Fund

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	294,508	-	(294,508)
Charges for services	-	27,000	25,961	(1,039)
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	848	848
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>321,508</u>	<u>26,809</u>	<u>(294,699)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	568	568	-
Culture and recreation	-	-	-	-
Capital outlay	422,298	586,805	300,379	286,426
Principal retirement	60,565	1,041,317	1,062,069	(20,752)
Interest and debt issuance costs	75,038	83,319	62,567	20,752
Total expenditures	<u>557,901</u>	<u>1,712,009</u>	<u>1,425,583</u>	<u>286,426</u>
Revenues over/(under) expenditures before other financing sources/(uses)	(557,901)	(1,390,501)	(1,398,774)	(8,273)
Other financing sources (uses):				
Transfers in (out)	<u>135,603</u>	<u>961,596</u>	<u>961,596</u>	-
Total other financing sources (uses)	<u>135,603</u>	<u>961,596</u>	<u>961,596</u>	-
Net change in fund balance	\$ <u>(422,298)</u>	<u>(428,905)</u>	<u>(437,178)</u>	
Prior year cash balance	\$ <u>638,718</u>	<u>638,718</u>	<u>638,718</u>	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (437,178)
To adjust applicable revenue accruals and deferrals	15,941
To adjust applicable expenditure accruals	<u>14,359</u>
Change in fund balance (GAAP basis)	<u>\$ (406,878)</u>

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

313 - Waste Water Project Fund

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
Logers' Tax	-	-	-	-
State-shared	-	-	-	-
Intergovernmental:				
Federal grants	168,259	168,259	-	(168,259)
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest on investments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>168,259</u>	<u>168,259</u>	-	<u>(168,259)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	168,259	168,259	24,786	143,473
Principal Retirement	-	-	-	-
Interest and debt issuance costs	-	-	-	-
Total expenditures	<u>168,259</u>	<u>168,259</u>	<u>24,786</u>	<u>143,473</u>
Revenues over/(under) expenditures before other financing sources/(uses)	-	-	(24,786)	(24,786)
Other financing sources (uses):				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	-	<u>(24,786)</u>	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (24,786)
To adjust applicable revenue accruals and deferrals	19,042
To adjust applicable expenditure accruals	<u>(646)</u>
Change in fund balance (GAAP basis)	<u>\$ (6,390)</u>

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

304 - Road Co-op Fund

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	<u>139,000</u>	<u>139,000</u>	-	<u>(139,000)</u>
Total revenues	<u>139,000</u>	<u>139,000</u>	-	<u>(139,000)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	<u>185,333</u>	<u>185,333</u>	<u>137,144</u>	<u>48,189</u>
Total expenditures	<u>185,333</u>	<u>185,333</u>	<u>137,144</u>	<u>48,189</u>
Revenues over (under) expenditures before other financing sources (uses)	(46,333)	(46,333)	(137,144)	(187,189)
Other financing sources (uses)				
Transfers in (out)	<u>46,333</u>	<u>128,333</u>	<u>112,469</u>	<u>15,864</u>
Total other financing sources (uses)	<u>46,333</u>	<u>128,333</u>	<u>112,469</u>	<u>15,864</u>
Net changes in fund balances	<u>\$ -</u>	<u>82,000</u>	<u>(24,675)</u>	
Prior year cash balance	<u>\$ 49,146</u>	<u>49,146</u>	<u>49,146</u>	
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ (24,675)	
To adjust applicable revenue accruals and deferrals			534	
To adjust applicable expenditure accruals			<u>(149,244)</u>	
Change in fund balance (GAAP basis)			<u>\$ (173,385)</u>	

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

305 - Farmland Preservation Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	376	376
Miscellaneous	-	-	-	-
Total revenues	-	-	376	376
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	111,720	35,000	76,720
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	111,720	35,000	76,720
Revenues over (under) expenditures before other financing sources (uses)	-	-	(34,624)	376
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	\$ -	-	(34,624)	
Prior year cash balance	\$ 272,839	272,839	272,839	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ (34,624)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ (34,624)

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

309 - Fire Truck Capital Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Principal retirement	-	54,030	54,030	-
Interest and debt issuance costs	-	3,357	3,357	-
Total expenditures	-	57,387	57,387	-
Revenues over (under) expenditures before other financing sources (uses)	-	-	(57,387)	-
Other financing sources (uses)				
Transfers in (out)	-	57,387	57,387	-
Total other financing sources (uses)	-	57,387	57,387	-
Net changes in fund balances	-	57,387	-	
Prior year cash balance	-	-	-	
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ -	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditure accruals			57,387	
Change in fund balance (GAAP basis)			\$ 57,387	

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

311 - Loma Larga

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures before other financing sources (uses)	-	-	-	-
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	\$ -	-	-	
Prior year cash balance	\$ -	-	-	
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ -	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditure accruals			-	
Change in fund balance (GAAP basis)			\$ -	

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

322 - Public Safety Facilities Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures before other financing sources (uses)	-	-	-	-
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	\$ -	-	-	-
Prior year cash balance	\$ 10,000	10,000	10,000	
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ -	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditure accruals			-	
Change in fund balance (GAAP basis)			\$ -	

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

323 - Residential Roads and Drainage

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	200,000	200,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	200,000	200,000	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	254,206	425,102	145,834	279,268
Total expenditures	254,206	425,102	145,834	279,268
Revenues over (under) expenditures before other financing sources (uses)	(254,206)	(225,102)	54,166	(279,268)
Other financing sources (uses)				
Transfers in (out)	-	137,000	137,000	-
Total other financing sources (uses)	-	137,000	137,000	-
Net changes in fund balances	\$ (254,206)	(88,102)	191,166	
Prior year cash balance	\$ 155,102	155,102	155,102	
RECONCILIATION FROM BUDGET/ACTUAL TO GAAP				
Change in fund balance (Budget Basis)			\$ 191,166	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditure accruals			(7,986)	
Change in fund balance (GAAP basis)			\$ 183,180	

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

401 - Debt Service General Obligations Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 226,000	226,000	224,203	(1,797)
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ 226,000	226,000	224,203	(1,797)
Expenditures				
Current:				
General government	2,200	4,200	3,226	974
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	185,000	185,000	185,000	-
Interest and debt issuance costs	38,316	38,316	38,316	-
Capital outlay	-	-	-	-
Total expenditures	\$ 225,516	227,516	226,542	974
Revenues over (under) expenditures before other financing sources (uses)	226,000	226,000	(2,339)	(1,797)
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Loan proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	\$ 226,000	226,000	(2,339)	
Prior year cash balance	\$ 242,933	242,933	242,933	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$	(2,339)
To adjust applicable revenue accruals and deferrals		(4,780)
To adjust applicable expenditure accruals		-
Change in fund balance (GAAP basis)	\$	(7,119)

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

407 - CWSRF Debt Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ -	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	540,000	540,000	-
Interest and debt issuance costs	-	83,239	27,011	56,228
Capital outlay	-	-	-	-
Total expenditures	\$ -	623,239	567,011	56,228
Revenues over (under) expenditures before other financing sources (uses)	-	-	(567,011)	-
Other financing sources (uses)				
Transfers in (out)	-	567,014	567,011	3
Loan proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Total other financing sources (uses)	-	567,014	567,011	3
Net changes in fund balances	\$ -	567,014	-	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditure accruals	-
Change in fund balance (GAAP basis)	\$ -

The accompanying notes are integral to these financial statements

Village of Corrales
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2014

328 - Capital Bonding Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
State-shared	-	-	-	-
Lodgers'	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	284	284
Miscellaneous	-	-	-	-
Total revenues	\$ -	-	284	284
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal retirement	-	210,000	241,526	(31,526)
Interest and debt issuance costs	-	31,526	-	31,526
Capital outlay	-	-	-	-
Total expenditures	\$ -	241,526	241,526	-
Revenues over (under) expenditures before other financing sources (uses)	-	-	(241,242)	284
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Loan proceeds	-	3,353,483	3,445,000	(91,517)
Bond issuance costs	-	-	115,963	(115,963)
Total other financing sources (uses)	-	3,353,483	3,560,963	(207,480)
Net changes in fund balances	\$ -	3,353,483	3,319,721	
Prior year cash balance	\$ -	-	-	

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in fund balance (Budget Basis)	\$ 3,319,721
To adjust applicable revenue accruals and deferrals	(2,166,465)
To adjust applicable expenditure accruals	24,446
Change in fund balance (GAAP basis)	\$ 1,177,702

The accompanying notes are integral to these financial statements

**INDEPENDENT AUDITOR'S 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***

Scott Kominiak, Mayor,
Village Council of
Village of Corrales and
Hector H. Balderas,
New Mexico State Auditor

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparison of the general fund of the Village of Corrales (Village) as of and for the year ended and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual finds and related budgetary comparisons of the Village presented as supplemental information of and have issued our report thereon dated December 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2014-001.

A *significant deficiency* is a deficiency, or a 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. We consider the deficiency described in the accompanying schedule of findings and responses to be significant deficiencies: 2014-002, 2014-003 and 2014-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2011-003 [2011-C], 2013-004 and 2014-004.

The Village Response to the Findings

The Village's response to the finding identified in our audit is described in the accompanying *schedule of findings and responses*. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hinkle + Landers, P.C.
Albuquerque, NM
December 12, 2014

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

Reference #	Finding	Status of Prior / Current Year Findings	Type of Finding*
PRIOR YEAR			
2007-A	Excess of Expenditures Over Budget	Resolved	G
2011-B	Accounts Receivable Reconciliation	Resolved	B
2011-003 [2011-C]	Budget Deficit in Excess Cash	Repeated	G
2012-A	Unreconciled Cash Account	Resolved	B
2012-B	Unreconciled Payables and Receivables	Resolved	B
2012-D	Procurement	Resolved	G
FS 2013-01	Financial Statement Preparation	Resolved	A
FS 2013-02	Segregation of Duties	Resolved	A
FS 2013-03	Violation of Open Meetings Act	Resolved	G
2013-004	Timely Submission of Financial Statements	Repeated	G
FS 2013-05	Capital Asset Listing	Resolved	G
FS 2013-06	Disposal of Property	Resolved	G
CURRENT YEAR			
2014-001	Cash and Investment Controls and Reconciliations, Lack of Segregation of Duties	Current	A
2014-002	Approval of Journal Entries	Current	B
2014-003	Review of Payroll Register	Current	B
2014-004	Travel and Per Diem	Current	G
2014-005	IT Controls	Current	B

* Legend for Type of Findings

- A.** Material Weakness in Internal Control Over Financial Reporting
- B.** Significant Deficiency in Internal Control Over Financial Reporting
- C.** Other Matters Involving Internal Control Over Financial Reporting
- D.** Material Weakness in Internal Control Over Compliance of Federal Awards
- E.** Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F.** Instance of Noncompliance to Federal Awards
- G.** Compliance with State Audit Rule

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

2011-003 [2011-C] – BUDGET DEFICIT IN EXCESS OF CASH

Type of Finding: G

Statement of 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
Waste Water Project	\$ (24,786)
Keep New Mexico Beautiful	(800)

Criteria

The New Mexico State Statute, Section 6-6-11 NMSA 1978, states “it is unlawful for any municipal governing body for any purpose 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.”

2.2.2 10 N (b) states that if the agency prepares its budget on the cash basis, the Statement of Revenues and Expenditures (Budget and Actual) or the Budgetary Comparisons shall include the amount of prior-year cash balance required to balance the budget (or fund balance on the cash basis).

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.

Management Response

The Village will review the available cash balances and expected revenues and expenditures when developing the budgets.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

2013-04 – TIMELY SUBMISSION OF FINANCIAL STATEMENTS

Type of Finding: G

Statement of Condition

The fiscal year 2014 financial statements were not submitted to the New Mexico Office of the State Auditor by the December 1, 2014 submission deadline, but was submitted on December 15, 2014.

Criteria

Section 2.2.2.9.A of NMAC Audit Rule 2014 requires that annual audit reports for local public bodies be received in the Office of the State Auditor on or before December 1st.

Effect

The Village is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for fiscal year 2014. The users of the financial statements do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding and the Village's internal budgeting.

Cause

There was a new audit firm assigned to perform the audit and although there was major improvements compared to the prior year, not all deliverables were met by the December 1, 2014.

Recommendation

The Village should work with its auditor to improve its timeline to meet the December 1 deadline.

Management Response

The Village agrees with this finding and is taking action to ensure they are not delayed and it does not occur in the future.

**2014-001-CASH AND INVESTMENT CONTROLS AND RECONCILIATIONS,
LACK OF SEGREGATION OF DUTIES**

Type Of Finding: A

Statement of Condition

Because of the full time equivalent staff (FTE) size of the Village's accounting department, adequate segregation of duties has not been possible. Furthermore, the following controls related to cash and investments appear to need significant improvement as follows:

- The bank reconciliations are not formally reviewed by anyone beyond the person performing the bank reconciliations, which is the Finance Officer.
- The Finance Officer has full access to the MIP accounting software, which includes the general ledger and the setup of vendors.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

- In addition, the Bond Cash Reconciliation Report should be included as part of the support for reconciliation of the Court Bond Account.

Criteria

When adequate segregation of duties is not available, cash and investment assets vulnerable due to their availability and liquidity. Therefore, adequate internal controls involve measures to prevent theft or other misuses of cash and investments. A review of bank and investment reconciliations by upper management and/or the governing body is an important control to identify errors or misappropriations in a timely manner and act as an effective compensating control when segregation of duties related to cash and the general ledger are not practical.

Effect

Cash and investment assets are at risk when there is not an independent, timely review of the bank and investment reconciliations.

Cause

The Village was not yet implemented these controls.

Recommendation

The Village should establish a process where the preparer of the bank and investment statement reconciliations signs and dates the reconciliations when they are completed. Also, a timely independent review by someone who does not perform the reconciliations and who does not have access to cash or the check stock should sign and date the reconciliations once they have been reviewed should take place.

Management Response

The Village will comply with this recommendation.

2014-002-APPROVAL OF JOURNAL ENTRIES

Type of Finding: B

Statement of Condition

The Village does not appear to have formal journal entry forms that include a “prepared by” line and a “reviewed by” line item. Also, per our inquiry of controls, there does not appear to be a responsible official who reviews journal entries after they have been prepared.

Criteria

Good internal controls require that journal entries include documentation of who prepared the adjustment, the purpose of the adjustment and that it be reviewed and signed off by a responsible official not involved in the journal entry preparation or posting, as they can significantly affect the financial statements.

Effect

Unnecessary or incorrect journal entries could be entered into the system and go undetected.

Cause

Journal entry forms have not been designed to include a preparer line nor a reviewer line.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

Recommendation

We recommend that the journal entry forms be designed which include a “reviewed by” line. It is important that the reviewer of the journal entry be a member of upper management. In addition, it is important that the reviewer review the relationship between the accounts that are being adjusted and verify that the accounts are expected to go together. Example, revenue and receivables go together but revenue and equipment rarely go together unless you received an in-kind contribution of equipment.

Management Response

The Village of Corrales currently has a journal entry form with the “prepared by” and “reviewed by” lines. The Village will comply with this recommendation.

2014-003—REVIEW OF PAYROLL REGISTER

Type of Finding: B

Statement of Condition

During our testing of controls of the payroll function, we determined that there does appear to be a review of payroll transactions that monitors the accuracy of pay rates, proper deductions, timely payroll tax deposits and payroll reporting to the state and federal tax authorities, but we did not see a formal documentation of the review of the payroll register for each payroll cycle.

Criteria

Professional auditing standards as illustrated in Statement on Auditing Standard (SAS) 115 and its Exhibit B require strong internal controls and these deficiencies and weaknesses are required to be disclosed to management and the governing board.

Improving internal controls reduces the opportunity for mistakes or errors to take place or to be identified and corrected in a timely manner or for reducing the opportunity for fraud to take place.

Effect

Without a formal review, it is not possible to determine if the reviews are taking place and the risk of errors or misappropriation related to payroll is increased and may go undetected.

Cause

The documentation of the payroll review may not have been considered necessary.

Recommendation

We recommend a formal documentation of the review of the payroll register for each payroll cycle be documented.

Management Response

The Village will develop a procedure and forms to comply in implementing review of payroll registers.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

2014-004—TRAVEL AND PER DIEM

Type of Finding: G

Statement of Condition

During the testing of transactions, the following control deficiencies were noted related to the travel and per diem disbursement testing for the five transactions tested:

- For two travel and per diem disbursement transactions totaling \$81 out of the five transactions tested, the Village reimbursed its employees a total of \$8 in excess of the allowable mileage rate.

Criteria

Per the Emergency Amendment to Section 11, Mileage, of the DFA Regulations Governing the Per Diem and Mileage Act, 2.42.2 NMAC, effective June 19, 2009, as adopted by the Village, “Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows: unless the secretary has reduced the rates set for mileage for any class of public officials and for employees and for employees of state agencies pursuant to Section 10-8-8 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle”. The IRS standard mileage rate beginning January 1, 2013 was 56.5 cents for business miles driven. Eighty percent of this rate is \$0.452.

Effect

The Village is out of compliance with the policies that it has established for mileage reimbursements.

Cause

The Village does not have a standardized form for its travel reimbursements, causing the entity to be out of compliance.

Recommendation

The Village should annually update its standardized form for all travel and per diem reimbursements. In addition, management should request all employees submit beginning and ending odometer readings or a printed out map to indicate the miles driven.

Management Response

The Village will comply with the recommendation.

2014-005—IT CONTROLS

Type of Finding: B

Statement of Condition

Per our review of IT Controls, the following were identified as areas where controls should be improved.

A. Access to Programs and Data

1. Identification and Authentication

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Schedule of Findings and Responses
For the Year Ended June 30, 2014**

- There is no comprehensive IT policy the Administrator/Clerk
- There are no automated or manual logs to record system administrator activity.

B. Disaster Recover/Contingency Planning

1. There is not a complete off-site storage for backup data.
2. The Village's contingency plan for alternative processing in the event of loss or interruption of the IT function needs to be up-to-date based on changes to its systems.
3. A disaster recovery plan has not been developed.

Criteria

IT controls are an essential part of an organization's overall internal control. It is good accounting practice to ensure that strong IT general controls are in place to prevent damage or compromise of assets, interruption of business activities and unauthorized access to systems.

Effect

Areas related to IT may be at risk such as:

- Assets may be compromised
- Interruption of business activities and
- Unauthorized access to systems may occur

Cause

The Village has not developed and implemented the IT controls identified under the statement of condition.

Recommendation

We recommend that controls be implemented as identified for the areas identified in the *statement of condition* shown above to mitigate risks to the Village.

Management Response

The Village will comply with the recommendation.

**STATE OF NEW MEXICO
VILLAGE OF CORRALES
Exit Conference
For the Year Ended June 30, 2014**

PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Village as of June 30, 2014, were substantially prepared by Hinkle + Landers, PC; however, the financial statements are the responsibility of management.

EXIT CONFERENCE

The contents of the report for Village of Corrales were discussed on December 12, 2014. The following individuals were in attendance.

Village of Corrales Officials

Scott Kominiak
John Avila
Terri Gray
John Jennings

Mayor
Village Administrator
Finance Officer
Contract CPA

Auditors

Farley Vener, CPA, CFE

President & Managing Shareholder