

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE,
NEW MEXICO

Financial Statements, Supplementary Information
and
Independent Auditors' Report

June 30, 2009

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO

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VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO

**List of Principal Officials
June 30, 2009**

Village Trustees

Larry Abraham	Mayor
Donald T. Lopez	Mayor Pro-Tem
Mary Homan	Trustee
Tim McDonough	Trustee
Pablo R. Rael	Trustee

Administrative Officials

Kelly S. Ward	Administrator
Nancy Haines	Treasurer
Annabelle Silvas	Village Clerk
Gil Saavedra	Village Accountant

Independent Auditors' Report

Mr. Hector H. Balderas, State Auditor and
Larry P. Abraham, Mayor and
the Board of Trustees
Village of Los Ranchos de Albuquerque, New Mexico

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund, of the Village of Los Ranchos de Albuquerque, New Mexico (Village), as of and for the year ended June 30, 2009, 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 presented as supplementary information in the accompanying combining and individual fund financial statements and schedules, and budgetary comparison statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Hector H. Balderas, State Auditor and
Larry P. Abraham, Mayor and
the Board of Trustees
Village of Los Ranchos de Albuquerque, New Mexico

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Perch & Associates LLC

Albuquerque, New Mexico
October 12, 2009

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

This *Management's Discussion & Analysis (MD&A)* is provided pursuant to the requirements of Statement 34 of the *Government Accounting Standards Board (GASB-34)*. The MD&A introduces the basic financial statements and provides an analytical overview of the organization's financial activities.

FINANCIAL HIGHLIGHTS

- The Village's tax revenues *decreased* \$171,308 or approximately 6% from the prior year. Total Village revenue *decreased* \$729,444 approximately 19% from the prior year.
- The Village's expenses *increased* \$462,031 or approximately 14% from the prior year.
- The Village increased its net assets by \$2,858,064, a 9.4% increase for this fiscal year.

VILLAGE HIGHLIGHTS

The Board of Trustees, the Mayor and the administration of the Village continue to affirm the intent of the Village founders to maintain the rural character and lifestyle of Los Ranchos. The Village remains committed to providing services and opportunities to residents for a better quality of life. To this end, the following highlights are offered as a summary of the important developments and areas of focus for the Village government.

As with all municipalities, the Village continues to be faced with the impacts of the downturn in the economy. For the past two budget cycles, as predicted, overall revenues have been down. Correspondingly, expenses have been adjusted to levels that are manageable through a sustained period of reduced or flat revenues year-to-year. On September 12, 2009, the Village of Los Ranchos merged its fire department with that of Bernalillo County. The agreement calls for the Village to compensate Bernalillo County at a flat rate of \$440,000 per year for a period of five years. At the fifth year, the parties may renegotiate the compensation. The FY2009 operating budget for the Los Ranchos Fire Department was \$936,000. The agreement lays the foundation for the sound fiscal management of the Village for the foreseeable future.

The Village will complete the building of a new fire station at the corner of Fourth Street and Schulte Road. Bernalillo County Fire Department will house the District 12, the Los Ranchos Fire District, personnel and equipment in the new station.

Open space continues to be a priority. The Village added to its open space holdings through the purchase of the Anderson Valley Vineyards property. The purchase of this 19-acre parcel was funded through the bond proceeds of the open space mil levy, Bernalillo County open space funds, legislative appropriations and Village general fund. As part of the purchase the Village secured an option on an additional four acres of adjacent land. A one-acre parcel was purchased with open space funds on Osuna Road to be converted to a neighborhood green belt.

Additional property was purchased on Fourth Street as part of the Village Center Development project. A total of four acres has been purchased at the site. It is anticipated that the Village will issue a request for proposal in 2010 for the development of the 12-acre site for a mixed use commercial development that may include the relocation of the Village Hall offices.

The North Valley Area I Phase 2 and Area J Sanitary Sewer Projects were completed in April 2009. Nearly 100% of Village homes have access to sanitary sewer with the completion of this

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

project. In conjunction with the installation of the sewer was the reconstruction of Rio Grande Boulevard. The Village took the opportunity in the reconstruction of the roadway to expand Rio Grande Blvd. from 27' in width to 31' and stripe the road to provide for 4.5' bike and pedestrian lanes on each side of the road. The extension of the bike lanes to Montano Road will be provided for through the Federal Highway Administration and state legislative appropriations.

Additional improvements included the repaving of Osuna and Ortega Roads and the rebuilding of badly deteriorating sections of Fourth Street.

THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The *Government-Wide Statement of Net Assets* and the *Government-Wide Statement of Activities* (on pages 10 and 11) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. *Fund financial statements* start on page 12. For governmental activities, these statements identify activities that were financed in the short term as well as what remains for future spending. *Fund financial statements* also report the Village's operations in more detail than the *government-wide statements* by providing information about the Village's most significant funds.

Reporting on the Village as a Whole: The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities

Our analysis of the Village as a whole begins on page 5. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the fiscal year's activities?" The *Government-Wide Statement of Net Assets* and the *Government-Wide Statement of Activities* report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net assets and changes to them. The Village's net assets represent the difference between assets and liabilities and are one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors to consider in assessing the financial stability of the Village may be changes in the Village's gross receipts tax base and the condition of the Village's roads and infrastructures.

In the *Government-Wide Statement of Net Assets* and the *Government-Wide Statement of Activities*, we only have governmental activities where the Village's basic services such as General Government, Public Safety, Highways and Streets, Culture and Recreation, and Health and Welfare are reported. Gross receipts taxes, franchise fees, fines, permits, and state and federal grants finance most of these activities.

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

Reporting on the Village's Most Significant Funds

Fund Financial Statements

Our analysis of the Village's major funds begins on page 7. The fund financial statements begin on page 10 and provide detailed information about the most significant funds-not the Village as a whole. Most funds are required to be established by State law. However, the Village Trustee's establish many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (e.g. grants received from the State of New Mexico). Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in subsequent year(s). These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the *Government-Wide Statement of Net Assets* and the *Government-Wide Statement of Activities*) and governmental funds in reconciliation at the bottom of the fund financial statements.

THE VILLAGE AS A WHOLE

For the year ended June 30, 2009, net assets changed as follows:

	Governmental Activities
Beginning net assets	\$ 30,385,582
Increase (decrease) in net assets	2,858,064
Ending net assets	<u>\$ 33,243,646</u>

	<u>2009</u>	<u>2008</u>
Cash and investments	\$ 2,989,207	7,397,460
Receivables	424,021	597,354
Capital assets, net of depreciation	34,564,297	26,634,170
Bond issuance costs net	<u>61,068</u>	<u>64,445</u>
Total assets	<u>38,038,593</u>	<u>34,693,429</u>
Total liabilities	<u>4,794,947</u>	<u>4,307,847</u>
Total net assets	<u>\$33,243,646</u>	<u>30,385,582</u>

The Village purchased 7.7 million dollars in land for open space and the Village Center Development Project. This explains the increase in capital assets, the decrease in cash and the increase in liabilities.

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

Governmental Activities

To aid in the understanding of the *Government-Wide Statement of Activities* additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. Expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions to the Village. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Building permits, excavation/barricade permits, business registrations fees, home occupation fees, parcel permit fees, liquor license fees, Village Vision advertising fees, motor vehicle fees, and State of New Mexico grants.
Public safety	State of New Mexico grants are categorized as operating grants.
Highway and streets	State of New Mexico grants.
Culture and recreation	State of New Mexico grants.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

THE VILLAGE'S FUNDS

The following schedule represents a summary of general, special revenue, and capital project funds for balance sheet comparisons to prior year amounts and the related percentage increases and decreases.

Balance Sheet	Amount	Percent of Total	Increase (Decrease) from 2008	Percent Increase (Decrease)
Assets:				
<i>Cash and cash equivalents</i>	\$ 2,989,207	87.15%	\$ (4,408,253)	(59.59%)
<i>Receivables</i>	424,021	12.36%	(173,333)	(29.02%)
<i>Due from other funds</i>	16,765	0.49%	16,765	100.00%
<i>Total assets</i>	3,429,993	100.00%	(4,564,821)	(57.10%)
Liabilities:				
<i>Accounts payable</i>	91,268	55.17%	44,903	96.85%
<i>Accrued liabilities</i>	57,405	34.70%	3,370	6.24%
<i>Due to other funds</i>	16,765	10.13%	16,765	100.00%
<i>Deferred revenues</i>			(552,576)	(100.00%)
<i>Total liabilities</i>	165,438	100.00%	(487,538)	(74.66%)

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

Fund balance:

<i>General fund</i>	2,711,080	83.05%	(567,895)	(17.32%)
<i>Special revenue funds</i>	117,367	3.60%	(24,362)	(17.19%)
<i>Capital projects funds</i>	111,474	3.41%	66,851	149.81%
<i>Debt service funds</i>	324,634	9.94%	(3,551,877)	(91.62%)
<i>Total fund balance</i>	\$ 3,264,555	100.00%	\$ (4,077,283)	(55.53%)

Although this is a summary of the Village's significant funds, the major increases or decreases were explained in the previous discussion of the change in net assets in the Village as a Whole section. The decrease in cash and fund balance is due to the purchase of land for open space and the Village Center Development Project.

The following schedule presents a summary of general, special revenue, and capital project fund revenues and expenditures for the fiscal year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues:	FYE 2009 Amount	Percent of Total	Increase (Decrease) from 2008	Percent Increase (Decrease)
<i>Taxes</i>	\$ 2,757,054	41.68%	\$ (160,955)	(5.52%)
<i>Licenses and permits</i>	129,516	1.96%	(2,949)	(2.23%)
<i>Charges for services</i>			(28,427)	(100.00%)
<i>Intergovernmental</i>	3,414,461	51.61%	2,718,904	390.90%
<i>Interest income</i>	82,694	1.25%	(171,804)	(67.51%)
<i>Other income</i>	231,479	3.50%	(386,332)	(62.53%)
<i>Total Revenues</i>	\$ 6,615,204	100.00%	\$ 1,968,437	42.36%

The downturn in the economy is the primary reason for the decrease in tax revenues. The primary increase in revenues was due to the funding provided for the purchase of open space and several road projects including the bike path on Rio Grande Blvd.

Expenditures:	FYE 2009 Amount	Percent of Total	Increase (Decrease) from FYE 2008	Percent Increase (Decrease)
<i>General government</i>	\$ 1,052,285	9.03%	\$ 60,153	6.06%
<i>Public safety</i>	1,318,522	11.32%	113,801	9.45%
<i>Highway and streets</i>	78,939	0.67%	850	1.09%
<i>Culture and recreation</i>	90,802	0.78%	(25,998)	(22.26%)
<i>Debt service</i>	272,517	2.34%	148,868	120.40%
<i>Capital outlay</i>	8,839,422	75.86%	7,797,882	748.68%
<i>Total Expenditures</i>	\$ 11,652,487	100.00%	\$ 8,095,556	227.59%

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

The most significant increase in expenditures was in capital outlays. As mentioned before, \$7.7 million dollars were spent on the acquisition of land for open space and the Village Center Development Project.

BUDGETARY HIGHLIGHTS

The Village's initial budget and all budgetary revisions are approved by the Village's Board of Trustees and State of New Mexico Department of Finance and Administration. The Village may increase or decrease its budget due to changes in economic circumstances faced by the Village.

In addition to the MD&A, GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget to be presented. The budgetary comparison schedules should present both the original and final appropriated budgets for the reporting period as well as the actual inputs, outputs and balances stated on the government's budgetary basis.

As required by the Office of the State Auditor under 2 NMAC 2.2, the Statements of Revenues and Expenditures - Budget and Actual are also presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

CAPITAL ASSETS

The following schedule represents a comparison of the capital assets of the Village in comparison to the prior year.

	Governmental Activities	
	2009	2008
Land	\$ 20,885,227	\$ 13,174,290
Buildings – construction in process	253,336	140,926
Infrastructure – construction in process	109,436	104,733
Buildings	3,103,359	3,103,359
Improvements	1,082,094	1,067,921
Infrastructure	8,625,017	7,902,663
Furniture, fixtures and equipment	2,899,072	2,730,183
Fire protection equipment	981,585	934,585
Vehicles	343,019	284,063
TOTALS	\$ 38,282,145	\$ 29,442,723

At the end of June 30, 2009, the Village had approximately \$38.3 million invested in capital assets including police and fire equipment, buildings, park facilities, and infrastructure assets. The major increase is in land, as mentioned before, acquired for open space and the Village Center Development Project. The other major increase is in infrastructure which were road improvement projects including the bike trail on Rio Grande Blvd.

GENERAL OBLIGATION BONDS

In August of 2007 the Village of Los Ranchos issued \$3,600,000 in general obligation bonds. A 1 mil property tax was imposed to repay the debt. Collection on property taxes has gone well thus far and the Village now estimates having to transfer \$800,000 from the General Fund, over the 20 year term, to repay the debt.

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2009 - 2010 general fund budget revenues were decreased over the 2008 - 2009 budgeted amounts to represent a decrease in projected State shared gross receipts taxes, due to a slow down in construction in the Village and the downturn in the economy. General fund expenditures were also decreased over the 2008 - 2009 budgetary amounts; reductions were made in the Fire Department and capital outlay projects.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village Administrator or Village Treasurer at 6718 Rio Grande Blvd., NW, Village of Los Ranchos de Albuquerque, New Mexico, 87107.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET ASSETS
June 30, 2009

Governmental
Activities

ASSETS

Cash and investments	\$ 2,989,207
Receivables	
Taxes	
Property	3,977
Gross receipts	173,102
Gas	4,250
Franchise	31,456
Grants	211,236
Capital assets, not depreciated	21,247,999
Capital assets, net of accumulated depreciation	13,316,298
Bond issuance costs, net of amortization	61,068
	<hr/>
Total assets	38,038,593
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LIABILITIES

Accounts payable	91,268
Accrued compensation and benefits	57,405
Accrued interest payable	75,311
Compensated absences, due in one year	34,000
Compensated absences, due in more than one year	31,527
Long-term liabilities, due in one year	69,025
Long-term liabilities, due in more than one year	4,436,411
	<hr/>
Total liabilities	4,794,947
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NET ASSETS

Invested in capital assets, net of related debt	30,058,861
Unrestricted	3,184,785
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Total net assets	\$ 33,243,646
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The accompanying notes are an integral part of these financial statements.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

<u>Functions/Programs</u>	Expenses	Program Revenues			Net Revenue (Expense and Changes in Net Assets)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government					
Governmental activities					
General government	\$ 1,113,541	129,516	298,722	2,982,464	2,297,161
Public safety	1,455,698	-	119,710	-	(1,335,988)
Highways and streets	429,444	-	-	-	(429,444)
Culture and recreation	456,639	-	-	13,565	(443,074)
Interest on long-term debt	296,641	-	-	-	(296,641)
Total primary government	<u>3,751,963</u>	<u>129,516</u>	<u>418,432</u>	<u>2,996,029</u>	<u>(207,986)</u>
General Revenues					
Gross receipts taxes					2,255,888
Franchise taxes					269,400
Property taxes					199,897
Motor vehicle registration					21,429
Gasoline taxes					5,135
Cigarette taxes					128
Interest and investment income					82,694
Other					231,479
Total general revenues					<u>3,066,050</u>
Change in net assets					<u>2,858,064</u>
Net assets, beginning					30,385,582
Net assets, ending					<u>\$ 33,243,646</u>

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

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Infrastructure	Debt Service	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 2,533,871	-	320,657	134,679	2,989,207
Receivables					
Taxes					
Property	-	-	3,977	-	3,977
Gross receipts	164,157	-	-	8,945	173,102
Gas	1,887	-	-	2,363	4,250
Franchise	31,456	-	-	-	31,456
Grants	54,376	156,860	-	-	211,236
Due from other funds	-	-	-	16,765	16,765
Total assets	\$ 2,785,747	156,860	324,634	162,752	3,429,993
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 17,262	73,244	-	762	91,268
Accrued compensation and benefits	57,405	-	-	-	57,405
Due to other funds	-	16,765	-	-	16,765
Total liabilities	74,667	90,009	-	762	165,438
FUND BALANCES					
Unreserved, undesignated reported in:					
General fund	2,711,080	-	-	-	2,711,080
Special revenue funds	-	-	-	117,367	117,367
Capital projects funds	-	66,851	-	44,623	111,474
Debt service funds	-	-	324,634	-	324,634
Total fund balances	2,711,080	66,851	324,634	161,990	3,264,555
Total liabilities and fund balances	\$ 2,785,747	156,860	324,634	162,752	3,429,993

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

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2009**

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

Total fund balance - governmental funds	\$ 3,264,555
Debt issuance costs are capitalized and amortized under the full accrual method, but not the modified accrual method	61,068
Interest on debt is accrued as a payable under the full accrual method, but not the modified accrual method	(75,311)
Accrued compensated absences not payable from current revenues	(65,527)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	34,564,297
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(4,505,436)</u>
Net assets - governmental activities	<u><u>\$ 33,243,646</u></u>

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

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	Infrastructure	Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 2,408,306	-	205,074	143,674	2,757,054
Licenses, permits, fees, fines	129,516	-	-	-	129,516
Non-federal sources					
Intergovernmental	298,722	2,982,464	-	133,275	3,414,461
Interest and investment income	37,916	6,021	38,757	-	82,694
Other	106,906	118,606	-	5,967	231,479
Total revenues	2,981,366	3,107,091	243,831	282,916	6,615,204
Expenditures					
Current					
General government	1,015,082	37,203	-	-	1,052,285
Public safety	1,221,747	-	-	96,775	1,318,522
Highways and streets	78,939	-	-	-	78,939
Culture and recreation	78,939	-	-	11,863	90,802
Debt service	-	-	272,517	-	272,517
Capital outlay	886,137	7,869,552	-	83,733	8,839,422
Total expenditures	3,280,844	7,906,755	272,517	192,371	11,652,487
(Deficiency) excess of revenues over expenditures before other financings sources	(299,478)	(4,799,664)	(28,686)	90,545	(5,037,283)
Other Financing Sources (Uses)					
Proceeds from the issuance of debt	-	-	960,000	-	960,000
Operating transfers in	-	4,854,249	180,270	-	5,034,519
Operating transfers out	(268,417)	-	(4,663,461)	(102,641)	(5,034,519)
Total other financing sources	(268,417)	4,854,249	(3,523,191)	(102,641)	960,000
Net change in fund balances	(567,895)	54,585	(3,551,877)	(12,096)	(4,077,283)
Fund balance, beginning of year	3,278,975	12,266	3,876,511	174,086	7,341,838
Fund balance, end of year	\$ 2,711,080	66,851	324,634	161,990	3,264,555

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

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2009**

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

Net changes in fund balances - governmental funds **\$ (4,077,283)**

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlay exceeded depreciation in the current period

Depreciation expense	(909,294)	
Capital outlay	8,839,421	
Excess of capital outlay over depreciation expense	7,930,127	7,930,127

Accrued interest payable is an expense under the full accrual method, and not the modified accrual method (75,311)

Deferred revenue is recorded as income under the accrual method, and not the modified accrual method (5,176)

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. (5,480)

Bond issuance costs are an expense under the full accrual method, and not the modified accrual method (3,377)

The issuance of long-term debt provides current financial resources to governmental funds, but does not effect net assets (960,000)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds 54,564

Change in net assets - governmental activities **\$ 2,858,064**

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

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,478,233	2,486,681	2,429,626	(57,055)
Licenses and permits and fees	79,270	119,360	129,516	10,156
Intergovernmental	129,300	244,346	244,346	-
Interest and investment income	44,855	37,916	37,916	-
Other	101,400	122,733	122,612	(121)
Total revenues	2,833,058	3,011,036	2,964,016	(47,020)
Expenditures				
General government	1,133,384	1,064,158	1,020,225	43,933
Public safety	1,292,335	1,295,514	1,231,776	63,738
Highways and streets	66,695	79,921	78,924	997
Culture and recreation	66,695	79,921	78,924	997
Capital outlay	1,637,716	885,953	885,953	-
Total expenditures	4,196,825	3,405,467	3,295,802	109,665
(Deficiency) excess of revenues over expenditures	(1,363,767)	(394,431)	(331,786)	62,645
Other financing uses				
Operating transfers out	(100,000)	(355,786)	(268,417)	87,369
Net change in fund balance	(1,463,767)	(750,217)	(600,203)	150,014
Prior year cash appropriated	1,463,767	750,217		
	<u>\$ -</u>	<u>-</u>		
Non-GAAP change in fund balance			\$ (600,203)	
Change in:				
Accounts receivable			17,350	
Accounts payable			18,328	
Accrued compensation and benefits			(3,370)	
GAAP change in fund balance			<u>\$ (567,895)</u>	

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

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity. The Village of Los Ranchos de Albuquerque, New Mexico (Village) was incorporated in 1958 under the laws of the State of New Mexico. The Village operates under a Mayor-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, health and social services, culture and recreation, education, public improvements, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

A. Financial Reporting Entity

As required by GAAP, the financial statements present the Village and entities for which the Village is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2009.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

A. Financial Reporting Entity (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with, or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 government's policy to use restricted resources first, then unrestricted resources as they are recorded.

Governmental 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. For this purpose, the Village considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

The Village follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

Derived tax revenues are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes.

Imposed nonexchange revenues – property taxes are levied and collected by the Bernalillo County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10th and May 10th. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A. Financial Reporting Entity (Continued)

Imposed nonexchange revenue other than property taxes are recognized in the period when an enforceable legal claim has arisen and the resources are available.

Government-mandated nonexchange transactions and voluntary nonexchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Village reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has legal claim to the, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent period when both revenue recognition criteria methods are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The Village reports the following major governmental funds:

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

Infrastructure Fund. The Infrastructure Fund accounts for financial resources and expenditures of capital projects funded through state grants.

Debt Service Fund. The Debt Service Fund is used to account for the receipts and disbursements of funds related to bond and loans.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B. Cash and Investments

Cash include amounts in demand deposits and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

C. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

D. Property and Equipment

Capital assets, which include software, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Assets are recorded at historical cost or estimated historical cost if purchased or construction. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, including infrastructure, have higher limits that must be met before they are capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and building improvements	40 years
Land improvements	20 years
Infrastructure	20 years
Machinery, equipment and software	3 - 20 years
Fire protection equipment	15 years
Furniture and fixtures	15 years
Vehicles	5 - 10 years

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D. Property and Equipment (Continued)

The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

E. Intangible Assets

Under Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, intangible assets with indefinite lives are no longer amortized. Indefinite lived intangible assets, such as water rights, are tested for impairment on an annual basis. There were no intangible assets at year-end.

F. Accrued Employee Benefits

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. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

G. Fund Equity

Reserves represent those portions of fund equity appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Fund equity and net assets were reported as follows:

Unreserved, undesignated - Amounts which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the Village.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

H. Net Assets

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

I. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

J. Budgetary Information

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, capital projects, and debt service funds.

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

1. Prior to June 1, the Village Clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

J. Budgetary Information (Continued)

2. The Village Clerk 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 State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and capital project funds.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

K. Use of Estimates

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

L. Implementation of New Accounting Standards

During the year ended June 30, 2009, the Village adopted Government Accounting Standards Board Statement (GASB) No. 52, *Land and Other Real Estate Held as Investments by Endowments* (GASB 52). GASB 52 will not have a material impact on the Village's financial statements.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. CASH AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name. As of June 30, 2009, the Village's bank balance total of \$534,702 was exposed to credit risk in the amount of \$250,777 as follows:

Uninsured and collateral held by pledging bank's trust department not in the Village's name	<u>\$ 250,777</u>
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In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution.

The total balance in any single financial institution may at times exceed the \$250,000 in FDIC coverage available to individual depositors. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

Credit Risk. The Village has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with a BBB+ or better rating, asset backed obligations with an AAA or better rating, or repurchase agreements.

Investments

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Village's investment in a single issuer. The Village has no formal policy limiting the amount of investments or deposits at any single institution or with any single issuer.

The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Section 6-10-10 I through 6-10-10 P and Sections 6-10-10-.1 A and E, NMSA 1978. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The New Mexico State Treasurer is responsible for approving all changes in the pledged collateral and monitoring the collateral requirements for all deposits maintained by the State Treasurer. The State Treasurer's office issues separate financial statements which disclose the collateral pledged to secure those deposits.

During the year ending June 30, 2009, the New Mexico State Treasurers office placed \$169,531 of the Village's LGIP investment into a contingency account. The funds are not accessible by the Village. The funds may be used to cover losses from the failure of a money market in which the LGIP was invested. The Village does not know if the money will be returned.

LGIP does not have unit shares. Per Section 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 fund amounts were invested. Participation in this pool is voluntary. The independent auditors' report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditors' report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

Interest Rate Risk – The LGIP's policy is to invest in securities with an average maturity of less than 182 days, or a 0.5 yearly average term. The LGIP's weighted average maturity at June 30, 2009 was 43 days.

Credit Quality – The LGIP is rated AAAm.

Investments held at the Bank of Albuquerque are invested in dollar denominated US Treasury funds. The funds invest in instruments with maturities of 90 days or less.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance	Additions	Deletions	Balance
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 13,174,290	7,710,937	-	20,885,227
Buildings - construction in process	140,926	174,423	(62,013)	253,336
Infrastructure - construction in process	104,733	83,687	(78,984)	109,436
Total, not depreciated	\$ 13,419,949	7,969,047	(140,997)	21,247,999
Capital assets, depreciated				
Buildings	\$ 3,103,359	-	-	3,103,359
Improvements	1,067,921	14,173	-	1,082,094
Infrastructure	7,902,664	581,356	140,997	8,625,017
Furniture, fixtures and equipment	2,730,183	168,889	-	2,899,072
Fire protection equipment	934,585	47,000	-	981,585
Vehicles	284,063	58,956	-	343,019
Total, depreciated	16,022,775	870,374	140,997	17,034,146
Accumulated depreciation for:				
Buildings	418,640	77,584	-	496,224
Improvements	524,814	54,024	-	578,838
Infrastructure	451,285	407,931	-	859,216
Furniture, fixtures and equipment	704,516	272,492	-	977,008
Fire protection equipment	529,014	54,800	-	583,814
Vehicles	180,285	42,463	-	222,748
Total accumulated depreciation	2,808,554	909,294	-	3,717,848
Total capital assets, depreciated, net	\$ 13,214,221	(38,920)	140,997	13,316,298
Total capital assets, depreciated and non-depreciated, net	\$ 26,634,170	7,930,127	-	34,564,297

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

Governmental activities	
General government	\$ 55,776
Public safety	137,176
Highways and streets	350,505
Culture and recreation	365,837
Total depreciation expense	\$ 909,294

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS

During the year ended June 30, 2009, the following changes occurred:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
General obligation bonds	\$ 3,600,000	-	(30,000)	3,570,000	35,000
Loans	-	960,000	(24,564)	935,436	34,025
Compensated absences	60,047	39,399	(33,919)	65,527	34,000
Total	\$ 3,660,047	999,399	(88,483)	4,570,963	102,849

General Obligation Bonds. The Village issued and sold general obligation bonds, Series 2007, in the aggregate principle amount of \$3,600,000 on August 8, 2007. The bonds are payable from property taxes levied on all taxable property within the Village. The bonds mature August 2027. The Village used the funds to acquire open space within the Village. The net effective interest rate of the bonds is 4.75% and is payable semiannually on February 1 and August 1, commencing on February 1, 2008.

The following is a schedule of the debt service requirements to maturity for the general obligation bonds:

Year Ending June 30	Principal	Interest	Total
2010	\$ 35,000	161,461	196,461
2011	40,000	159,680	199,680
2012	45,000	157,661	202,661
2013	50,000	155,405	205,405
2014	100,000	151,843	251,843
2015 to 2019	835,000	657,706	1,492,706
2020 to 2024	1,200,000	431,130	1,631,130
2025 to 2028	1,265,000	119,568	1,384,568
	\$ 3,570,000	1,994,454	5,564,454

Bond issuance costs in the amount of \$49,107, and bond discounts in the amount of \$18,433 have been capitalized and will be amortized over the life of the bonds. The amount of amortization for the year ended June 30, 2009 was \$3,377.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS
(CONTINUED)

Loans. The Village financed land purchases using commercial loans and mortgages. The following notes are outstanding at June 30, 2009:

Land acquisition mortgage for \$564,251, interest is adjustable at 1% over the Wall Street Journal prime rate, with a floor of 8.5%, payments of \$6,123 monthly, maturing September 6, 2011.	\$ 544,288
Land acquisition mortgage for \$250,000 Interest is 7% per annum, payments of \$1,767 per month, maturing September 19, 2011.	247,204
Land acquisition mortgage for \$145,573, interest at 7% per annum, payments of \$1,029 per month, maturing September 19, 2011.	<u>143,944</u>
Total loans payable	<u>\$ 935,436</u>

The future requirements for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2010	\$ 34,025	73,177	107,202
2011	37,163	69,863	107,026
2012	<u>864,248</u>	<u>17,335</u>	<u>881,583</u>
	<u>\$ 935,436</u>	<u>160,375</u>	<u>1,095,811</u>

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS
(CONTINUED)

Accrued Compensated Absences. It is the policy of the Village to accrue vacation leave based on years of service to regular full-time and fire employees. Part-time employees will accrue annual leave on a prorated basis. Sick leave is accrued at a rate of eight hours per month for full-time employees and four hours per month for part-time employees. Upon termination, annual leave remaining will be paid in full. An employee in good standing may receive compensation for accrued sick leave when the employee has accumulated at least 240 hours at a rate of one day of pay for every three days of sick leave. When an employee has accumulated at least 480 hours of sick leave, the rate of payment will be one day of pay for each two days of accrued sick leave. When 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 in excess of 240 hours at a rate of one day for each two days of sick leave accrued.

Payroll is tracked on a per-fund basis. Compensated absences relating to employees of a given fund are liquidated with money from that fund. The majority of compensated absences have been liquidated with money from the general fund.

NOTE 5. INTERFUND BALANCES

Interfund balances at June 30, 2009 consisted of the following amounts:

Due from the Infrastructure fund to:

Municipal Street fund	\$ <u>16,765</u>
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The purpose of the interfund balance was to cover a negative allocated cash balance in the Municipal Street fund.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6. INTERFUND OPERATING TRANSFERS

The following is a schedule of operating transfers:

	Transfers In	Transfers Out
Governmental Funds		
Major Funds		
General Fund	\$ -	268,417
Infrastructure Fund	4,854,249	-
Debt Service Fund	180,270	4,663,461
Non-major Funds		
Municipal Street Fund	-	102,641
Total	<u>\$ 5,034,519</u>	<u>5,034,519</u>

The above transfers were to transfer money to the debt service fund for debt payments, and to transfer money to the infrastructure fund for the purchase of capital assets.

NOTE 7. PROPERTY TAXES

Bernalillo County is responsible for assessing, collecting, and distributing property taxes for the Village. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by April 10 of the following year. Property taxes are delinquent if not paid by thirty days after the due date. Taxes on real property are liened on January 1 of the year for which the taxes are imposed.

NOTE 8. PERA PENSION PLAN

Plan Description: Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, 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. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123, or by accessing the report on PERA's website at www.pera.state.nm.us.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 8. PERA PENSION PLAN (CONTINUED)

Funding Policy. Fire department employees are required to contribute 16.2% of their gross salary and the Village is required to make a matching contribution of 21.25%. All other plan members are required to contribute 9.15% of their gross salary and the Village is required to make a matching contribution of 9.15%.

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 the legislature. The Village's contributions to PERA for the year ending June 30, 2009, 2008, and 2007 was \$251,046, \$211,479 and \$191,657, equal to the amount of the required contributions for each year.

NOTE 9. RETIREE HEALTH CARE ACT

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D of Chapter 6, Laws of 1990, the Village, by adoption of an ordinance, has elected not to participate in the program.

NOTE 10. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The Village participates in the State of New Mexico Self-Insurers Fund for workers' compensation claims. In addition, the Village has obtained insurance through a commercial carrier operating as a common risk management and insurance program. The Village pays an annual premium to a commercial carrier for its general coverage and all risk of loss is transferred.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with expendable available financial resources.

NOTE 11. CONTINGENCIES

Litigation. Claims have been filed against the Village and are in various stages of processing, and some may ultimately be brought to trial. It is not possible to estimate the likelihood and amount of such claims. Accordingly, no accrual has been made for them.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
NON-MAJOR FUNDS
June 30, 2009

SPECIAL REVENUE FUNDS

Emergency Medical Services (EMS). To account for EMS grant money and expenditures related to the emergency medical technicians unit. Authority is NMSA 24-10A-1 to 24-10A-10.

Fire Protection Fund. To account for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

Law Enforcement Protection Fund. To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

Municipal Street Fund. To account for funds used to maintain roads for which the Village has responsibility. Financing sources include gasoline and gross receipts taxes. Expenditures are restricted for the construction and maintenance of Village roads. Authority is NMSA 7-1-6.27.

RMP Fund. To account for the funds given to the Village for the purchase of a fire vehicle.

Other Special Revenue Fund. To account for the Villages Lavender in the Valley and Growers Market activities, as well as other small grants that the Village does not receive on a regular basis.

CAPITAL PROJECTS FUNDS

Recreational Building. To account for the design and construction of a community center, bike trails, and tennis courts. Financing was provided by special state appropriation money and matching from the general fund.

Open Spaces Fund. To account for the expenditures to purchase open spaces in the Village.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2009

	Special Revenue					Capital Projects		Total Non-major	
	Emergency Medical Services	Fire Protection	Law Enforcement Protection	Municipal Street	RMP	Other Special Revenue	Recreational Building		Open Spaces
ASSETS									
Cash and investments	\$ 314	-	-	52,841	23,042	13,859	200	44,423	134,679
Receivables									
Gross receipts	-	-	-	8,945	-	-	-	-	8,945
Gas	-	-	-	2,363	-	-	-	-	2,363
Due from other funds	-	-	-	16,765	-	-	-	-	16,765
Total assets	\$ 314	-	-	80,914	23,042	13,859	200	44,423	162,752
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	-	-	-	-	762	-	-	762
Total liabilities	-	-	-	-	-	762	-	-	762
FUND BALANCES									
Unreserved, undesignated, special revenues	314	-	-	80,914	23,042	13,097	-	-	117,367
Unreserved, undesignated, capital projects	-	-	-	-	-	-	200	44,423	44,623
Total fund balances	314	-	-	80,914	23,042	13,097	200	44,423	161,990
Total fund balances	\$ 314	-	-	80,914	23,042	13,859	200	44,423	162,752

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2009

	Special Revenue					Capital Projects			Total Non-major
	Emergency Medical Services	Fire Protection	Law Enforcement Protection	Municipal Street	RMP	Other Special Revenue	Recreational Building	Open Spaces	
Revenues									
Taxes	\$ -	-	-	143,674	-	-	-	-	143,674
Non-federal sources									
Intergovernmental	30,000	67,310	22,400	-	-	-	13,565	-	133,275
Other	-	-	-	-	-	5,967	-	-	5,967
Total revenues	30,000	67,310	22,400	143,674	-	5,967	13,565	-	282,916
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	24,657	67,310	-	-	-	4,808	-	-	96,775
Culture and recreation	-	-	-	-	-	11,863	-	-	11,863
Capital outlay	47,000	-	23,168	-	-	-	13,565	-	83,733
Total expenditures	71,657	67,310	23,168	-	-	16,671	13,565	-	192,371
Excess (deficiency) of revenues over expenditures before other financing sources	(41,657)	-	(768)	143,674	-	(10,704)	-	-	90,545
Other Financing Uses									
Operating transfers out	-	-	-	(102,641)	-	-	-	-	(102,641)
Net change in fund balances	(41,657)	-	(768)	41,033	-	(10,704)	-	-	(12,096)
Fund balance, beginning of year	41,971	-	768	39,881	23,042	23,801	200	44,423	174,086
Fund balance, end of year	\$ 314	-	-	80,914	23,042	13,097	200	44,423	161,990

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 30,000	30,000	30,000	-
Total revenues	30,000	30,000	30,000	-
Expenditures				
Public safety	13,900	25,274	24,960	314
Capital outlay	58,374	47,000	47,000	-
Total expenditures	72,274	72,274	71,960	314
Net change in fund balance	(42,274)	(42,274)	(41,960)	314
Prior year cash appropriated	42,274	42,274		
	<u>\$ -</u>	<u>-</u>		
Non-GAAP change in fund balance			\$ (41,960)	
Change in:				
Accounts payable			<u>303</u>	
GAAP change in fund balance			<u>\$ (41,657)</u>	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
FIRE PROTECTION
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 61,667	67,310	67,310	-
Total revenues	61,667	67,310	67,310	-
Expenditures				
Public safety	61,667	67,310	67,310	-
Total expenditures	61,667	67,310	67,310	-
Net change in fund balance	\$ -	-	-	-

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT PROTECTION
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
Capital outlay	23,168	23,168	23,168	-
Total expenditures	23,168	23,168	23,168	-
Net change in fund balance	(23,168)	(23,168)	(23,168)	-
Prior year cash appropriated	23,168	23,168		
	<u>\$ -</u>	<u>-</u>		
Non-GAAP change in fund balance			\$ (23,168)	
Change in:				
Deferred revenue			<u>22,400</u>	
GAAP change in fund balance			<u>\$ (768)</u>	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
MUNICIPAL STREET
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 179,003	148,017	128,725	(19,292)
Total revenues	179,003	148,017	128,725	(19,292)
Other Financing Uses				
Transfers out	148,720	174,774	102,641	72,133
Total other financing uses	148,720	174,774	102,641	72,133
Net change in fund balance	<u>\$ 30,283</u>	<u>(26,757)</u>	<u>26,084</u>	<u>72,133</u>
Prior year cash appropriated		<u>26,757</u>		
		<u>-</u>		
Non-GAAP change in fund balance			\$ 26,084	
Change in:				
Deferred revenue			<u>14,949</u>	
GAAP change in fund balance			<u>\$ 41,033</u>	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
RMP
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	-	-	-

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
OTHER SPECIAL REVENUE
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 13,758	48,758	12,851	(35,907)
Other	5,800	5,958	5,967	9
Total revenues	19,558	54,716	18,818	(35,898)
Expenditures				
Public safety	13,758	8,282	4,808	3,474
Culture and recreation	12,617	56,679	18,828	37,851
Total expenditures	26,375	64,961	23,636	41,325
Net change in fund balance	(6,817)	(10,245)	(4,818)	<u>5,427</u>
Prior year cash appropriated	6,817	10,245	4,818	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (4,818)	
Change in:				
Accounts receivable			(12,851)	
Accounts payable			<u>6,965</u>	
GAAP change in fund balance			<u>\$ (10,704)</u>	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
RECREATIONAL BUILDING
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 70,000	70,000	13,565	(56,435)
Total revenues	70,000	70,000	13,565	(56,435)
Expenditures				
Capital outlay	70,000	70,200	13,565	56,635
Total expenditures	70,000	70,200	13,565	56,635
Net change in fund balance	\$ -	(200)	-	56,635
Prior year cash appropriated		200		
		-		

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
OPEN SPACES
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	-	-	-

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
INFRASTRUCTURE
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,925,627	5,611,844	2,605,829	(3,006,015)
Interest and investment income	3,355	5,777	6,021	244
Other	-	118,606	118,606	-
Total revenues	2,928,982	5,736,227	2,730,456	(3,005,771)
Expenditures				
Capital outlay	6,912,688	9,983,794	7,836,256	2,147,538
Total expenditures	6,912,688	9,983,794	7,836,256	2,147,538
Deficiency of revenues over expenditures before other financing sources	(3,983,706)	(4,247,567)	(5,105,800)	(858,233)
Other Financing Sources				
Operating transfers in	3,748,720	4,050,577	4,854,249	803,672
Net change in fund balance	(234,986)	(196,990)	(251,551)	(54,561)
Prior year cash appropriated	234,986	196,990	251,551	
	\$ -	-	-	
Non-GAAP change in fund balance			\$ (251,551)	
Change in:				
Accounts receivable			(148,365)	
Accounts payable			(70,499)	
Deferred revenue			525,000	
GAAP change in fund balance			\$ 54,585	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes - property	\$ 189,300	194,693	204,507	9,814
Interest and investment income	22,758	37,291	38,757	1,466
Total revenues	212,058	231,984	243,264	11,280
Expenditures				
Debt service	193,705	274,925	272,517	2,408
Total expenditures	193,705	274,925	272,517	2,408
Excess (deficiency) of revenues over expenditures before other financing sources	18,353	(42,941)	(29,253)	13,688
Other Financing Sources (Uses)				
Proceeds from the issuance of debt	-	-	960,000	960,000
Operating transfers in	100,000	180,270	180,270	-
Operating transfers out	(3,600,000)	(3,700,287)	(4,663,461)	(963,174)
Total other financing sources (uses)	(3,500,000)	(3,520,017)	(3,523,191)	(3,174)
Net change in fund balance	(3,481,647)	(3,562,958)	(3,552,444)	10,514
Prior year cash appropriated	3,481,647	3,562,958	3,552,444	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (3,552,444)	
Change in:				
Accounts receivable			(4,609)	
Deferred revenue			5,176	
GAAP change in fund balance			<u>\$ (3,551,877)</u>	

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
June 30, 2009

Depository	Account Name	Type	Depository Balance	Reconciled Balance
Bank of America	Pooled Cash Account	Checking	\$ 500,777	440,080
Bank of America	Certificate of Deposit	CD	33,925	33,925
Total cash and cash equivalents			534,702	474,005
Petty Cash	Water		-	400
Total cash and cash equivalents			534,702	474,405
NM State Treasurer	Local Government Investment Pool	Investment	2,345,271	2,345,271
NM State Treasurer	Reserve Contingency - Water Fund	Investment	169,531	169,531
			2,514,802	2,514,802
Total deposit and investment accounts			\$ 3,049,504	2,989,207

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2009

	Bank of America
Deposits at June 30, 2009	\$ 534,702
Less: FDIC coverage	283,925
Uninsured public funds	<u>250,777</u>
Pledged collateral held by the pledging bank's trust department or agent but not in the Village's name	2,218,259
Uninsured and uncollateralized	<u>\$ (1,967,482)</u>
50% pledged collateral requirement per statute	\$ 125,389
Total pledged collateral	4,436,518
Pledged collateral over the requirement	<u>\$ (4,311,130)</u>

Pledged collateral at June 30, 2009 consists of the following:

Security	CUSIP	Maturity	Market Value
FNMA 555424	31385XAZ0	5/1/2033	\$ 16,286
FNMA 555424	31385XAZ0	5/1/2033	4,420,232
			<u>\$ 4,436,518</u>

The custodian of the pledged securities is Bank of America in Charlotte, North Carolina.

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2009

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Village	Amount contributed by Village during fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
Law Enforcement Protection	Village of Los Ranchos County of Bernalillo	County of Bernalillo	To provide law enforcement protection to the Village	Indefinite	\$311,766 annually plus overtime and a 3% administrative fee	\$ 292,936	Not stated in the agreement	County of Bernalillo
Air Quality Improvement	Village of Los Ranchos City of Albuquerque	City of Albuquerque	To improve the air quality within the Regional Air Quality Control Region 152	04/04 to indefinite	None	\$ -	Not stated in the agreement	City of Albuquerque

VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
SCHEDULE OF APPROPRIATIONS
JUNE 30, 2009

<u>Appropriation</u>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Original Amount</u>	<u>Funds Expended</u>	<u>Funds Remaining</u>	<u>Funds Encumbered</u>
04-L-777	09/22/2004	06/30/2009	10,000	8,140	1,860	1,860
04-L-781	09/22/2004	06/30/2009	20,000	13,378	6,622	-
05-L-1676	05/23/2005	06/30/2010	30,000	15,455	14,545	5,481
05-L-254	04/18/2006	06/30/2010	600,000	594,000	6,000	-
06-L-294	09/09/2006	06/30/2010	200,000	200,000	-	-
06-L-308	09/09/2006	06/30/2010	400,000	396,000	4,000	-
06-L-310	09/09/2006	06/30/2010	600,000	72,142	527,858	123,948
06-L-341	09/09/2006	06/30/2009	55,000	-	55,000	-
06-L-1498	05/19/2006	06/30/2010	25,000	24,092	908	-
07-L-5070	04/27/2007	06/30/2011	500,000	-	500,000	-
07-L-5072	04/27/2007	06/30/2011	605,000	19,719	585,281	68,302
07-L-6074	04/27/2007	06/30/2011	20,000	-	20,000	-
07-L-6075	04/27/2007	06/30/2011	15,000	-	15,000	-
07-L-6076	04/27/2007	06/30/2011	55,000	-	55,000	-
08-L-3204	09/12/2008	06/30/2012	200,000	-	200,000	-
08-L-4108	07/14/2008	06/30/2012	100,000	100,000	-	-
08-L-4201	07/14/2008	06/30/2012	70,000	13,565	56,435	-
08-L-4202	07/14/2008	06/30/2012	175,000	175,000	-	-
08-L-4203	07/14/2008	06/30/2010	100,000	54,376	45,624	-
08-L-5048	02/04/2009	06/30/2010	293,867	-	293,867	-
08-L-5099	02/04/2009	06/30/2010	99,000	99,000	-	-
08-L-5249	02/04/2009	06/30/2010	35,000	-	35,000	-
Total			4,207,867	1,784,867	2,423,000	199,591

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS
3915 CARLISLE BLVD NE
ALBUQUERQUE, NM 87107

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Governmental Auditing Standards*

Mr. Hector H. Balderas, State Auditor and
Larry P. Abraham, Mayor and
the Board of Trustees
Village of Los Ranchos de Albuquerque, New Mexico

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and budgetary comparisons of the general fund and infrastructure fund, of the Village of Los Ranchos de Albuquerque, New Mexico (Village), as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 12, 2009. We also have audited the financial statements of each of the Village's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules, and budgetary comparisons, as of and for the year ended June 30, 2009, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Mr. Hector H. Balderas, State Auditor and
Larry P. Abraham, Mayor and
the Board of Trustees
Village of Los Ranchos de Albuquerque, New Mexico

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Village of Los Ranchos de Albuquerque's management, Village Trustees, the Department of Finance and Administration, the New Mexico State Legislature, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Perch & Associates LLC

Albuquerque, New Mexico
October 12, 2009

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009**

08-01	Monitoring of Accounting Functions – Bank Reconciliations	Resolved
08-02	Monitoring of Accounting Functions – Approval for Invoices for Payment	Resolved

**VILLAGE OF LOS RANCHOS DE ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2009**

An exit conference was held on November 9, 2009, and attended by the following:

Village of Los Ranchos de Albuquerque, New Mexico

Larry Abraham, Mayor
Tim McDonough, Trustee
Nancy Haines, Treasurer
Kelly S. Ward, Administrator
Gil Saavedra, Village Accountant

Porch & Associates LLC

Thad Porch, Partner

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The financial statements were prepared by Porch & Associates LLC from the books and records of the Village of Los Ranchos de Albuquerque. However, the contents of these financial statements remain the responsibility of the Village's management.