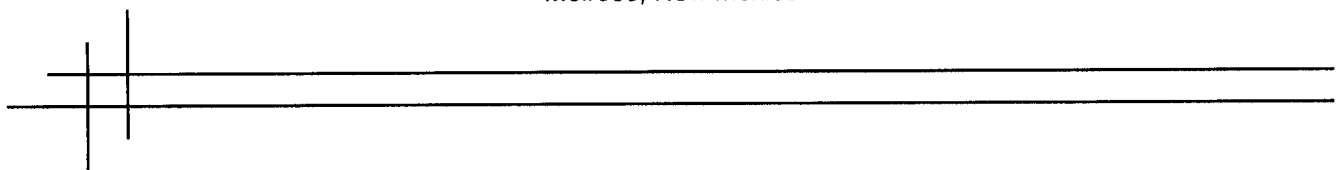




**STATE OF NEW MEXICO
VILLAGE OF TULAROSA**

ANNUAL FINANCIAL REPORT
June 30, 2008

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



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VILLAGE OF TULAROSA
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VILLAGE OF TULAROSA
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STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Official Roster
June 30, 2008

BOARD OF TRUSTEES

Ray S. Cordova	Mayor
Patrick Garcia	Mayor-ProTem
Gloria Sainz	Trustee
Thomas McKean	Trustee
Fred Tyler	Trustee

ADMINISTRATIVE OFFICIAL

Dianna Brusuelas	Clerk/Treasurer
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De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124
(505) 253-4313

Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the VILLAGE OF TULAROSA

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the VILLAGE OF TULAROSA, (Village), as of and for the year ended June 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. We 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 as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund and for all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2008, 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 considered in assessing the results of our audit.

The Village has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

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

De'Aun Willoughby, CPA PC

December 1, 2008

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 423,923	\$ 360,067	\$ 783,990
Investments	56,396	0	56,396
Receivable			
Accounts	0	95,257	95,257
Taxes	65,139	0	65,139
Due from Grantor	1,859	0	1,859
Total Current Assets	547,317	455,324	1,002,641
Noncurrent Assets			
Capital Assets	9,518,952	9,683,315	19,202,267
Less: Accumulated Depreciation	(2,536,751)	(4,431,198)	(6,967,949)
Total Noncurrent Assets	6,982,201	5,252,117	12,234,318
Total Assets	7,529,518	5,707,441	13,236,959
LIABILITIES			
Current Liabilities			
Accounts Payable	12,927	6,108	19,035
Accrued Salaries and Benefits	25,493	11,168	36,661
Accrued Interest	5,659	12,011	17,670
Current Portion of Long-Term Debt	82,034	49,487	131,521
Total Current Liabilities	126,113	78,774	204,887
Noncurrent Liabilities			
Bonds and Notes	309,052	729,333	1,038,385
Compensated Absences	23,204	25,254	48,458
Customer Deposits	0	44,392	44,392
Total Noncurrent Liabilities	332,256	798,979	1,131,235
Total Liabilities	458,369	877,753	1,336,122
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,585,456	4,461,286	11,046,742
Unrestricted	485,693	368,402	854,095
Total Net Assets	\$ 7,071,149	\$ 4,829,688	\$ 11,900,837

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Program Revenues			Net(Expenses) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General	\$ 422,449	\$ 9,508	\$ 129,277	\$ 0	\$ (283,664)	\$ 0	\$ (283,664)
Public Safety	618,712	143,162	85,595	0	(389,955)	0	(389,955)
Public Works	313,081	117,611	0	1,005,338	809,868	0	809,868
Culture & Recreation	184,877	0	185,592	0	715	0	715
Depreciation	178,583	0	0	0	(178,583)	0	(178,583)
Interest on Long-Term Obligations	19,257	0	0	0	(19,257)	0	(19,257)
Total Governmental Activities	\$ 1,736,959	\$ 270,281	\$ 400,464	\$ 1,005,338	\$ (60,876)	\$ 0	\$ (60,876)
Business-type Activities							
Water	677,601	658,250	0	0	0	(19,351)	(19,351)
Sewer	235,341	131,669	0	0	0	(103,672)	(103,672)
Solid Waste	173,195	162,763	0	0	0	(10,432)	(10,432)
Total Business-type Activities	1,086,137	952,682	0	0	0	(133,455)	(133,455)
General Revenues							
Franchise Taxes					\$ 57,507	\$ 0	\$ 57,507
Gross Receipts Tax					798,832	35,012	833,844
Gasoline Taxes					43,903	0	43,903
Property Taxes					134,642	0	134,642
Other Taxes					7,215	0	7,215
Interest and investment earnings					10,577	7,877	18,454
Miscellaneous					46,653	0	46,653
Total General Revenues					1,099,329	42,889	1,142,218
Change in Net Assets					1,038,453	(90,566)	947,887
Net Assets - beginning					6,032,696	4,920,254	10,952,950
Net Assets - ending					\$ 7,071,149	\$ 4,829,688	\$ 11,900,837

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	<u>General Fund</u>	<u>Capital Project</u>	<u>Non-Major Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 104,589	\$ 1,436	\$ 317,898
Investments	56,396	0	0
Receivables			
Taxes	58,788	0	6,351
Due from Grantor	0	0	1,859
Total Assets	<u>\$ 219,773</u>	<u>\$ 1,436</u>	<u>\$ 326,108</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 6,577	\$ 0	\$ 6,350
Accrued Salaries and Benefits	17,717	0	7,776
Total Liabilities	<u>24,294</u>	<u>0</u>	<u>14,126</u>
Fund Balances			
Reserved for:			
Capital Projects	0	1,436	0
Debt Service	0	0	101,100
Unreserved Reported In:			
General Fund	195,479	0	0
Special Revenue Fund	0	0	210,882
Total Fund Balances	<u>195,479</u>	<u>1,436</u>	<u>311,982</u>
Total Liabilities and Fund Balances	<u>\$ 219,773</u>	<u>\$ 1,436</u>	<u>\$ 326,108</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	<u>Total Governmental Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 423,923
Investments	56,396
Receivables	
Taxes	65,139
Due from Grantor	1,859
Total Assets	<u>\$ 547,317</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 12,927
Accrued Salaries and Benefits	25,493
Total Liabilities	<u>38,420</u>
 Fund Balances	
Reserved for:	
Capital Projects	1,436
Debt Service	101,100
Unreserved Reported In:	
General Fund	195,479
Special Revenue Fund	210,882
Total Fund Balances	<u>508,897</u>
 Total Liabilities and Fund Balances	 <u>\$ 547,317</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2008

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

Total Fund Balance - Governmental Funds		\$	508,897
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	9,518,952	
Accumulated depreciation is		<u>(2,536,751)</u>	6,982,201

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond payable		(391,086)	
Accrued interest on bonds		(5,659)	
Compensated Absences		<u>(23,204)</u>	<u>(419,949)</u>

Total net assets - governmental activities		\$	<u><u>7,071,149</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	General Fund	Capital Projects	Non-Major Governmental Funds
Revenues			
Taxes			
Franchise Tax	\$ 57,507	\$ 0	\$ 0
Gross Receipts Tax	753,752	0	45,080
Gasoline Tax	0	0	43,903
Property Tax	134,642	0	0
Cigarette Tax	4,804	0	2,411
License & Permits	9,508	0	0
Fines & Forfeitures	143,162		
Charges for Services	52,261	0	65,350
State Grant	129,277	1,005,338	218,770
Federal Grant	0	0	52,417
Interest Income	3,671	834	6,072
Miscellaneous	31,550	2,143	12,959
Total Revenues	<u>1,320,134</u>	<u>1,008,315</u>	<u>446,963</u>
Expenditures			
Current			
General Government	421,327	0	0
Public Safety	548,448	0	70,387
Public Works	56,761	0	262,941
Culture and Recreation	131,162	0	51,478
Capital Outlay	38,449	1,010,103	25,380
Debt Service			
Principal	0	0	87,793
Interest	0	0	20,382
Total Expenditures	<u>1,196,147</u>	<u>1,010,103</u>	<u>518,361</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>123,987</u>	<u>(1,788)</u>	<u>(71,398)</u>
Other Financing Sources (Uses)			
Transfers In/Out	(105,091)	3,224	101,867
Total Other Sources (Uses)	<u>(105,091)</u>	<u>3,224</u>	<u>101,867</u>
Net Change in Fund Balance	18,896	1,436	30,469
Fund Balances at Beginning of Year	<u>176,583</u>	<u>0</u>	<u>281,513</u>
Fund Balance End of Year	<u>\$ 195,479</u>	<u>\$ 1,436</u>	<u>\$ 311,982</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	<u>Total Governmental Funds</u>
Revenues	
Taxes	
Franchise Tax	\$ 57,507
Gross Receipts Tax	798,832
Gasoline Tax	43,903
Property Tax	134,642
Cigarette Tax	7,215
License & Permits	9,508
Fines & Forfeitures	143,162
Charges for Services	117,611
State Grant	1,353,385
Federal Grant	52,417
Interest Income	10,577
Miscellaneous	46,652
Total Revenues	<u>2,775,412</u>
Expenditures	
Current	
General Government	421,327
Public Safety	618,835
Public Works	319,702
Culture and Recreation	182,640
Capital Outlay	1,073,932
Debt Service	
Principal	87,793
Interest	20,382
Total Expenditures	<u>2,724,611</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>50,801</u>
Other Financing Sources (Uses)	
Transfers In/Out	<u>0</u>
Total Other Sources (Uses)	<u>0</u>
Net Change in Fund Balance	50,801
Fund Balances at Beginning of Year	<u>458,096</u>
Fund Balance End of Year	<u>\$ 508,897</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2008

Net Change in Fund Balance \$ 50,801

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$	(178,583)	
Capital Outlays		<u>1,073,932</u>	895,349

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 87,793

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,125

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 3,385

Changes in Net Assets of Governmental Activities \$ 1,038,453

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Municipal Taxes				
Franchise Tax	\$ 60,189	\$ 60,189	\$ 57,247	\$ (2,942)
Gross Receipt Tax	670,661	670,661	758,139	87,478
Property Tax	119,393	119,393	135,390	15,997
Cigarette Tax	3,742	3,742	4,833	1,091
Total Municipal Taxes	<u>853,985</u>	<u>853,985</u>	<u>955,609</u>	<u>101,624</u>
Licenses & Permits				
Business Licenses	5,109	5,109	6,255	1,146
Site Permits	2,000	2,000	2,650	650
Other	943	943	603	(340)
Total License & Permits	<u>8,052</u>	<u>8,052</u>	<u>9,508</u>	<u>1,456</u>
Charges for Services				
Motor Vehicle	36,429	36,429	47,941	11,512
Collection Fees	12,000	12,000	2,200	(9,800)
Other	814	814	712	(102)
Total Charges for Services	<u>49,243</u>	<u>49,243</u>	<u>50,853</u>	<u>1,610</u>
Fines and Forfeitures				
Court Fines	110,000	110,000	142,959	32,959
Other	20	20	203	183
Total Fines and Forfeitures	<u>110,020</u>	<u>110,020</u>	<u>143,162</u>	<u>33,142</u>
Grants				
Small Cities Assistance	<u>120,075</u>	<u>120,075</u>	<u>129,277</u>	<u>9,202</u>
Total Grants	<u>120,075</u>	<u>120,075</u>	<u>129,277</u>	<u>9,202</u>
Misc. Revenues				
Interest Income	1,035	1,035	3,903	2,868
Library Donations	32,449	32,449	10,076	(22,373)
Other	49,253	49,253	21,474	(27,779)
Total Grants	<u>82,737</u>	<u>82,737</u>	<u>35,453</u>	<u>(47,284)</u>
Total Revenues	\$ <u>1,224,112</u>	\$ <u>1,224,112</u>	\$ <u>1,323,862</u>	\$ <u>99,750</u>

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Expenditures				
Executive/Legislative				
Salaries	\$ 54,374	\$ 54,374	\$ 54,381	\$ (7)
Benefits	10,406	10,406	10,396	10
Travel	5,000	8,900	8,902	(2)
Other	2,123	3,700	3,681	19
Total Executive/Legislative	<u>71,903</u>	<u>77,380</u>	<u>77,360</u>	<u>20</u>
Judicial Department				
Salaries	63,998	63,998	65,906	(1,908)
Benefits	4,915	4,915	5,065	(150)
Travel	1,000	1,000	1,098	(98)
Professional Fees	1,050	1,050	604	446
Office Supplies	3,000	3,000	3,826	(826)
Telephone	4,100	4,100	4,230	(130)
Utilities	4,700	4,700	5,021	(321)
Total Judicial Department	<u>82,763</u>	<u>82,763</u>	<u>85,750</u>	<u>(2,987)</u>
Elections				
Other	3,500	3,500	2,526	974
Total Elections	<u>3,500</u>	<u>3,500</u>	<u>2,526</u>	<u>974</u>
Financial Department				
Salaries	44,960	44,960	45,410	(450)
Benefits	13,041	13,041	12,416	625
Travel & Fuel	1,000	8,000	7,953	47
Maintenance	4,500	5,500	5,579	(79)
Professional Fees	57,754	57,754	51,967	5,787
Contract Services	4,426	4,426	4,436	(10)
Supplies	5,379	13,879	13,668	211
Training	2,500	2,500	2,095	405
Insurance	52,358	52,358	46,730	5,628
Other	18,639	32,639	32,305	334
Telephone	8,000	8,000	7,973	27
Utilities	35,000	35,000	32,752	2,248
Capital Outlay	23,715	23,715	24,776	(1,061)
Total Financial Department	<u>271,272</u>	<u>301,772</u>	<u>288,060</u>	<u>13,712</u>
Motor Vehicle Dept				
Salaries	26,006	26,006	26,150	(144)
Benefits	6,160	6,160	6,185	(25)
Other	673	673	449	224
Total Motor Vehicle Dept	<u>\$ 32,839</u>	<u>\$ 32,839</u>	<u>\$ 32,784</u>	<u>\$ 55</u>

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Museum/Library				
Salaries	\$ 11,104	\$ 13,604	\$ 13,599	\$ 5
Benefits	849	1,049	1,050	(1)
Supplies	32,842	32,842	27,159	5,683
Office	8,440	8,440	5,546	2,894
Other	600	600	609	(9)
Total Museum/Library	<u>53,835</u>	<u>56,535</u>	<u>47,963</u>	<u>8,572</u>
Animal Control				
Salaries	18,122	18,122	17,004	1,118
Benefits	2,453	2,453	2,001	452
Maintenance	3,268	3,268	2,917	351
Other	3,949	3,949	2,022	1,927
Total Animal Control	<u>27,792</u>	<u>27,792</u>	<u>23,944</u>	<u>3,848</u>
Fire Department				
Personnel	9,600	9,600	9,600	0
Benefits	734	734	734	0
Total Fire Department	<u>10,334</u>	<u>10,334</u>	<u>10,334</u>	<u>0</u>
Ambulance Department				
Ambulance Contract	13,135	13,135	13,134	1
Dispatch Contract	8,722	8,722	8,401	321
Total Ambulance Department	<u>21,857</u>	<u>21,857</u>	<u>21,535</u>	<u>322</u>
Public Safety				
Salaries	296,651	321,151	321,157	(6)
Benefits	50,084	62,684	62,674	10
Travel & Fuel	25,000	27,500	27,355	145
Maintenance	7,994	11,494	11,483	11
Contract Services	4,308	4,308	4,349	(41)
Supplies	5,438	5,438	5,355	83
Utilities	10,700	10,700	9,668	1,032
Other	6,842	6,842	6,947	(105)
Training	2,449	2,449	1,935	514
Insurance	67,911	67,911	67,911	0
Capital Outlay	14,585	14,585	13,673	912
Total Public Safety	<u>\$ 491,962</u>	<u>\$ 535,062</u>	<u>\$ 532,507</u>	<u>\$ 2,555</u>

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Community Center				
Salaries	\$ 53,077	\$ 53,007	\$ 53,308	\$ (301)
Benefits	13,554	13,554	13,852	(298)
Maintenance	5,547	5,547	4,614	933
Supplies	2,000	2,000	1,972	28
Other	700	700	500	200
Utilities	8,850	8,850	9,560	(710)
Total Community Center	<u>83,728</u>	<u>83,658</u>	<u>83,806</u>	<u>(148)</u>
Total Expenditures	<u>1,151,785</u>	<u>1,233,492</u>	<u>1,206,569</u>	<u>26,923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>72,327</u>	<u>(9,380)</u>	<u>117,293</u>	<u>126,673</u>
Other Financing Sources (Uses)				
Transfer from Water Filter	12,239	12,239	12,223	(16)
Transfer to Older Americans	(35,685)	(35,685)	(35,685)	0
Transfer to Recreation	(28,404)	(28,404)	(28,404)	0
Transfer to Debt Service	(54,325)	(54,325)	(53,225)	1,100
Loan to Fire Department	5,000	5,000	5,000	0
Total Other Sources (Uses)	<u>(101,175)</u>	<u>(101,175)</u>	<u>(100,091)</u>	<u>1,084</u>
Net Change in Cash Balance	(28,848)	(110,555)	17,202	127,757
Cash Balance Beginning of Year	<u>143,783</u>	<u>143,783</u>	<u>143,783</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 114,935</u>	<u>\$ 33,228</u>	<u>\$ 160,985</u>	<u>\$ 127,757</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 117,293	
Net change in Taxes Receivable			(3,497)	
Net change in Interest Receivable			(233)	
Net change in Accounts Payable			7,701	
Net change in Accrued Salaries & Benefits			2,722	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 123,987</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 PROPRIETARY FUND
 Statement of Fund Net Assets
 June 30, 2008

ASSETS	Water	Sewer	Solid Waste	Total
Current Assets				
Cash and Cash Equivalents	\$ 208,845	\$ 69,403	\$ 81,819	\$ 360,067
Receivables (net of allowance for uncollectible accounts)				
Accounts	70,204	10,454	14,599	95,257
Total Current Assets	<u>279,049</u>	<u>79,857</u>	<u>96,418</u>	<u>455,324</u>
Noncurrent Assets				
Capital Assets	4,939,792	4,743,523	0	9,683,315
Less: Accumulated Depreciation	<u>(3,264,466)</u>	<u>(1,166,732)</u>	<u>0</u>	<u>(4,431,198)</u>
Total Noncurrent Assets	<u>1,675,326</u>	<u>3,576,791</u>	<u>0</u>	<u>5,252,117</u>
Total Assets	<u>1,954,375</u>	<u>3,656,648</u>	<u>96,418</u>	<u>5,707,441</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	2,802	3,306	0	6,108
Accrued Salaries & Benefits	8,287	2,881	0	11,168
Accrued Interest	9,966	2,045	0	12,011
Current Portion of Long-Term Debt	48,487	1,000	0	49,487
Total Current Liabilities	<u>69,542</u>	<u>9,232</u>	<u>0</u>	<u>78,774</u>
Noncurrent Liabilities				
Compensated Absences	23,540	1,714	0	25,254
Customer Deposits	44,392	0	0	44,392
Long Term Debt	633,333	96,000	0	729,333
Total Noncurrent Liabilities	<u>701,265</u>	<u>97,714</u>	<u>0</u>	<u>798,979</u>
Total Liabilities	<u>770,807</u>	<u>106,946</u>	<u>0</u>	<u>877,753</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	983,540	3,477,746	0	4,461,286
Unrestricted	200,028	71,956	96,418	368,402
Total Net Assets	<u>\$ 1,183,568</u>	<u>\$ 3,549,702</u>	<u>\$ 96,418</u>	<u>\$ 4,829,688</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
PROPRIETARY FUND
Statement of Revenue, Expenses and Changes in Net Assets
For the Year Ended June 30, 2008

	Water	Sewer	Solid Waste	Total
Operating Revenues				
Sales & Service	\$ 613,311	\$ 129,269	\$ 162,491	\$ 905,071
Fees	31,021	2,400	0	33,421
Miscellaneous	13,918	0	272	14,190
Total Operating Revenues	<u>658,250</u>	<u>131,669</u>	<u>162,763</u>	<u>952,682</u>
Operating Expenses				
Salaries	275,641	76,421	0	352,062
Benefits	63,959	15,671	0	79,630
Repairs & Maintenance	49,344	31,579	0	80,923
Contract Services	20,773	0	173,165	193,938
Supplies	20,836	9,622	0	30,458
Insurance	43,068	0	0	43,068
Utilities	29,999	36,214	0	66,213
Fees	39,105	0	0	39,105
Miscellaneous	9,319	1,881	30	11,230
Depreciation	105,545	59,828	0	165,373
Total Operating Expenses	<u>657,589</u>	<u>231,216</u>	<u>173,195</u>	<u>1,062,000</u>
Operating Income (Loss)	<u>661</u>	<u>(99,547)</u>	<u>(10,432)</u>	<u>(109,318)</u>
Nonoperating Revenue (Expenses)				
Taxes	0	0	35,012	35,012
Interest Income	4,815	1,338	1,724	7,877
Interest Expense	(20,012)	(4,125)	0	(24,137)
Total Nonoperating Revenue (Expense)	<u>(15,197)</u>	<u>(2,787)</u>	<u>36,736</u>	<u>18,752</u>
Change in Net Assets	<u>(14,536)</u>	<u>(102,334)</u>	<u>26,304</u>	<u>(90,566)</u>
Total Net Assets - Beginning	<u>1,198,104</u>	<u>3,652,036</u>	<u>70,114</u>	<u>4,920,254</u>
Total Net Assets - Ending	<u>\$ 1,183,568</u>	<u>\$ 3,549,702</u>	<u>\$ 96,418</u>	<u>\$ 4,829,688</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 PROPRIETARY FUND
 Statement of Cash Flows
 For the Year Ended June 30, 2008

	<u>Water</u>	<u>Sewer</u>
Cash Flows from Operating Activities		
Cash Received From Customers	\$ 658,856	\$ 130,559
Cash Paid to Suppliers and Employees	<u>(554,643)</u>	<u>(170,781)</u>
Net Cash Provided by Operating Activities	<u>104,213</u>	<u>(40,222)</u>
Cash Flows from Noncapital Financing Activities		
Taxes	0	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>
Cash Flows from Capital & Related Financing Activities		
Principal Paid	(47,579)	(1,000)
Interest Paid	(20,012)	(4,125)
Net Cash Provided by Capital & Related Financing Activities	<u>(67,591)</u>	<u>(5,125)</u>
Cash Flows from Investing Activities		
Interest Received	4,815	1,338
Net Cash Provided by Investing Activities	<u>4,815</u>	<u>1,338</u>
Net Increase (Decrease) in Cash	41,437	(44,009)
Cash, Beginning of Year	<u>167,408</u>	<u>113,412</u>
Cash, End of Year	<u>\$ 208,845</u>	<u>\$ 69,403</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 661	\$ (99,547)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	105,545	59,828
Change in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	(6,108)	(1,110)
(Increase) Decrease in Taxes Receivable	0	0
Increase (Decrease) in Accounts Payable	(7,313)	403
Increase (Decrease) in Accrued Salaries and Benefits	(96)	488
Increase (Decrease) in Accrued Interest	(1,976)	(40)
Increase (Decrease) in Compensated Absences	6,786	(244)
Increase (Decrease) in Customer Deposits	6,714	0
Net Cash Provided by Operating Activities	<u>\$ 104,213</u>	<u>\$ (40,222)</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 PROPRIETARY FUND
 Statement of Cash Flows
 For the Year Ended June 30, 2008

	<u>Solid Waste</u>	<u>Total</u>
Cash Flows from Operating Activities		
Cash Received From Customers	\$ 163,979	\$ 953,394
Cash Paid to Suppliers and Employees	(184,734)	(910,158)
Net Cash Provided by Operating Activities	<u>(20,755)</u>	<u>43,236</u>
Cash Flows from Noncapital Financing Activities		
Taxes	35,012	35,012
Net Cash Provided by Noncapital Financing Activities	<u>35,012</u>	<u>35,012</u>
Cash Flows from Capital & Related Financing Activities		
Principal Paid	0	(48,579)
Interest Paid	0	(24,137)
Net Cash Provided by Capital & Related Financing Activities	<u>0</u>	<u>(72,716)</u>
Cash Flows from Investing Activities		
Interest Received	1,724	7,877
Net Cash Provided by Investing Activities	<u>1,724</u>	<u>7,877</u>
Net Increase (Decrease) in Cash	15,981	13,409
Cash, Beginning of Year	<u>65,838</u>	<u>346,658</u>
Cash, End of Year	<u>\$ 81,819</u>	<u>\$ 360,067</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (10,432)	\$ (109,318)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	0	165,373
Change in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	(2,299)	(9,517)
(Increase) Decrease in Taxes Receivable	2,067	2,067
Increase (Decrease) in Accounts Payable	(10,091)	(17,001)
Increase (Decrease) in Accrued Salaries and Benefits	0	392
Increase (Decrease) in Accrued Interest	0	(2,016)
Increase (Decrease) in Compensated Absences	0	6,542
Increase (Decrease) in Customer Deposits	0	6,714
Net Cash Provided by Operating Activities	<u>\$ (20,755)</u>	<u>\$ 43,236</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Statement of Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 18,746
Total Assets	<u>\$ 18,746</u>
Liabilities	
Deposits Held for Others	\$ 18,746
Total Liabilities	<u>\$ 18,746</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the VILLAGE OF TULAROSA (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 responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements as required by GASB 20. The more significant of the Village's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Some of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD & A) providing an analysis of the Village's overall financial position and results of operations.
- Financial Statements prepared using full-accrual accounting for all the Village's activities.
- A change in fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2008.

In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, *Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the Village.

Financial Reporting Entity

The Village was incorporated under the laws of the State of New Mexico. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The Village has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected Village members are financially accountable. There are no other primary governments with which the Village Board Members are financially accountable. There are no other primary governments with which the Village has a significant relationship.

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Village are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Village. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

Amounts reported as program revenue in the government-wide financial statements include: (1) charges to customers or applicants for goods received, services rendered or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. The Village's operating grants include the Small Cities Assistance Grant and State Grants.

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

The specific revenue recognition policy for property taxes are recognized when levied, derived tax revenue (such as gross receipts tax) are recognized when the underlying transaction takes place, and grants are recognized when all of the eligibility requirements have been met.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

Proprietary Fund - Enterprise Funds Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

The Village has presented the following **major** governmental funds:

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds.

Capital Projects Fund

The Capital Projects Funds is used to account for the revenue and expenditures related to capital improvements.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The Village has presented the following major proprietary funds:

Water, Sewer, and Solid Waste Funds- The Water, Sewer and Solid Waste Funds are used to account for the provision of water, sewer, and solid waste services to the residents of the Village. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Additionally, the Village reports the following non-major funds types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the Village.

Fiduciary Fund - The Fiduciary funds account for assets held by the Village in a trustee or agent capacity.

Measurement Focus and Basis of Accounting

The government wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenue, such as franchise and sales tax revenue, is recognized when the underlying exchange transaction occurs.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes, sales taxes, franchise tax, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreement, the Village funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to financial the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Control

1. Prior to June 1, the Village's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.
3. The Village treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Trustees and the State Department of Finance and Administration.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. The level of budget authority is at the fund level.
6. The cash basis is used to present the budgetary comparisons.

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Village is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the Village may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or Village which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Prepaid Items

Prepaid balances are for payments made by the Village in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

The County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Capital Assets

Capital assets, which includes property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). 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. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Infrastructure	30 Years
Buildings	50 Years
Building Improvements	20 Years
Vehicles	2-15 Years
Equipment	3-15 Years
Information Technology Equipment and Software	3-5 Years

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The Village does not have any activity in short-term debt.

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet. There are no outstanding Capital Leases.

Revenue

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

Deferred Revenue

The Village reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

Each employee that has been employed between 1 and 5 years is entitled to 4 hrs of vacation pay per pay period, 6 to 10 years is 6 hours per pay period and 11 years or more is 8 hours per pay period. Sick leave is determined for all employees no matter the length of employment is 4 hours per pay period. Sick leave will be granted only from the duty because of personal illness, legal quarantine or medical, dental or optical appointments. Also for family members that include spouse, parents, spouses parents, children and grand children.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

NOTE B: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are included on each Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual Schedules.

NOTE C: CASH AND INVESTMENTS

The Village is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

1st National Bank:

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
General Fund	\$ 116,977	\$ 105,582	Checking
Fire Department	5,808	5,057	Checking
Law Enforcement	1	1	Checking
Local Government Correction	14,395	14,395	Checking
Special Gas Tax	134,269	134,269	Checking
Recreation Fund	4,447	4,287	Checking
Summer Food Program	5,877	2,079	Checking
Older American Program	58,536	58,590	Checking
Capital Projects	81,318	(1,666)	Checking
Debt Service	47,831	1,179	Checking
Revenue Bond Proceeds	48,660	48,660	Savings
Motor Vehicle Department	5,340	773	Checking
Court	15,737	15,643	Checking
Disbursement	876	876	Checking
Payroll	24,141	1,455	Checking
Water	109,727	106,365	Checking
Sewer	54,647	55,282	Checking
Sewer Fund-CD	8,871	8,871	Savings
WWP Phase 2 Reserve	5,250	5,250	Checking
Solid Waste	45,634	47,437	Checking
TOTAL Deposited	<u>788,342</u>	<u>\$ 614,385</u>	
Less: FDIC Coverage	<u>(157,531)</u>		
Uninsured Amount	630,811		
50% collateral requirement	315,406		
Pledged securities	533,380		
Over (Under) requirement	<u>\$ 217,975</u>		

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **1st National Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLMC Pool E01479	31294KUC7	\$ 533,380	09-01-18	Dallas, TX
		<u>\$ 533,380</u>		

The difference between the bank balance and reconciled balance is outstanding deposits, outstanding checks, and pending bank adjustments.

Wells Fargo

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Rural Utility Service Fund	\$ 230	\$ 230	Checking
Reserve Fund	51,261	51,261	Savings
Solid Waste	34,381	34,381	Savings
TOTAL Deposited	<u>85,872</u>	<u>\$ 85,872</u>	
Less: FDIC Coverage	<u>(85,872)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

Western Bank

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Water	\$ 70,403	\$ 70,403	Savings
WB-CD	31,441	32,076	Savings
TOTAL Deposited	<u>101,844</u>	<u>\$ 102,479</u>	
Less: FDIC Coverage	<u>(100,000)</u>		
Uninsured Amount	1,844		
50% collateral requirement	922		
Pledged securities	23,100		
Over (Under) requirement	<u>\$ 22,178</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

The following securities are pledged at **Western Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA	36202KVP7	\$ <u>23,100</u>	10-20-25	Dallas, TX
		\$ <u>23,100</u>		

The difference between the bank balance and reconciled balance is outstanding deposits, outstanding checks, and pending bank adjustments.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 343,403
Collateralized:	
Collateral held by the pledging bank in Village's name	556,480
Uninsured and uncollateralized	<u>76,175</u>
Total Deposits	\$ <u>976,058</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008 \$76,175 of the Village's bank balance of \$976,058 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Fair Market Value 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Village of Tularosa	\$ <u>56,396</u>	\$ <u>56,396</u>	Savings

The investments with the State Treasurer are valued at fair market value based on quoted market prices as of valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. 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 by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;

The pool does not have unit shares. Per Section (6-10-10.1F) (6-10-10-I) (6-10-10-P) and (6-10-10.1 A and E), 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; and

Participation in the local government investment pool is voluntary.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

Interest Rate Risk

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. The WAM for this investment is 24 days. The investment is rated AAAM and the rate is 2.408%.

NOTE D: DEFERRED REVENUES

There were no Deferred Revenues for the year ended June 30, 2008.

NOTE E: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 588,363	\$ 0	\$ 0	\$ 588,363
Total Capital Assets, not being Depreciated	<u>588,363</u>	<u>0</u>	<u>0</u>	<u>588,363</u>
Capital Assets, being Depreciated				
Construction in Progress	1,851,219	276,180	0	2,127,399
Infrastructure	425,816	0	0	425,816
Buildings & Improvements	4,061,846	50,590	0	4,112,436
Equipment	1,517,775	747,163	0	2,264,938
Total Capital Assets, being Depreciated	<u>7,856,656</u>	<u>1,073,933</u>	<u>0</u>	<u>8,930,589</u>
Total Capital Assets	<u>8,445,019</u>	<u>1,073,933</u>	<u>0</u>	<u>9,518,952</u>
Less Accumulated Depreciation				
Buildings & Improvements	1,010,336	45,145	0	1,055,481
Infrastructure	10,645	9,985	0	20,630
Equipment	1,337,187	123,453	0	1,460,640
Total Accumulated Depreciation	<u>2,358,168</u>	<u>178,583</u>	<u>0</u>	<u>2,536,751</u>
Capital Assets, net	<u>\$ 6,086,851</u>	<u>\$ 895,350</u>	<u>\$ 0</u>	<u>\$ 6,982,201</u>

The information to disclose depreciation charges by functions was not available.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Business-Type Activities				
Water				
Other Capital Assets				
Water System	\$ 4,939,792	\$ 0	\$ 0	\$ 4,939,792
Total Capital Assets at Historical Cost	<u>4,939,792</u>	<u>0</u>	<u>0</u>	<u>4,939,792</u>
Less Accumulated Depreciation				
Improvements	3,158,921	105,545	0	3,264,466
Total Accumulated Depreciation	<u>3,158,921</u>	<u>105,545</u>	<u>0</u>	<u>3,264,466</u>
Capital Assets, net	<u>\$ 1,780,871</u>	<u>\$ (105,545)</u>	<u>\$ 0</u>	<u>\$ 1,675,326</u>
	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Sewer				
Other Capital Assets				
Sewer System	\$ 4,724,738	\$ 0	\$ 0	\$ 4,724,738
Equipment	18,785	0	0	18,785
Total Capital Assets at Historical Cost	<u>4,743,523</u>	<u>0</u>	<u>0</u>	<u>4,743,523</u>
Less Accumulated Depreciation				
Improvements	1,095,633	55,981	0	1,151,614
Equipment	11,271	3,847	0	15,118
Total Accumulated Depreciation	<u>1,106,904</u>	<u>59,828</u>	<u>0</u>	<u>1,166,732</u>
Capital Assets, net	<u>\$ 3,636,619</u>	<u>\$ (59,828)</u>	<u>\$ 0</u>	<u>\$ 3,576,791</u>

NOTE F: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
NM GRT Revenue	\$ 235,000	\$ 0	\$ 40,000	\$ 195,000	\$ 45,000
NMFA Fire Truck	65,849	0	10,577	55,272	10,722
Government	35,570	0	21,200	14,370	9,814
NMFA Paving	142,460	0	16,016	126,444	16,498
	<u>478,879</u>	<u>0</u>	<u>87,793</u>	<u>391,086</u>	<u>82,034</u>
Other Liabilities					
Compensated Absences	24,701	46,702	48,199	23,204	0
Long-Term Liabilities	<u>\$ 503,580</u>	<u>\$ 46,702</u>	<u>\$ 135,992</u>	<u>\$ 414,290</u>	<u>\$ 82,034</u>

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations. The compensated absences ultimately will be liquidated by the General Fund or Water Fund as they have been in the past.

The annual requirements to amortize the above loans as of June 30, 2008, including interest payments are as follows:

	Principal	Interest	Total
2009	\$ 82,034	\$ 15,754	\$ 97,788
2010	77,428	12,575	90,003
2011	78,549	9,334	87,883
2012	84,252	5,783	90,035
2013	29,982	1,920	31,902
2014-2015	38,841	1,760	40,601
	<u>\$ 391,086</u>	<u>\$ 47,126</u>	<u>\$ 365,709</u>

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Business-Type Activities					
Bonds Payable					
RIP 96-03	\$ 296,117	0	\$ 17,331	\$ 278,786	17,851
RIP 93-11	144,273	0	11,264	133,009	11,602
NMFA PPRF	289,009	0	18,984	270,025	19,034
USDA RUS 2004	98,000	0	1,000	97,000	1,000
	<u>827,399</u>	<u>0</u>	<u>48,579</u>	<u>778,820</u>	<u>49,487</u>
Other Liabilities					
Compensated Absences	20,104	25,547	20,397	25,254	0
Long-Term Liabilities	<u>\$ 1,674,902</u>	<u>\$ 25,547</u>	<u>\$ 117,555</u>	<u>\$ 1,582,894</u>	<u>\$ 98,974</u>

Utility Bonds

The following bonds were issued for the purpose of improving and expanding the Village's water utility system. The water utility fund charges a fee for water and services to retire the principal and interest on the bond issue.

Series	Maturity Date	Original Amount	Interest Rate	Balance
NMFA Water	5/1/2020	\$ 405,405	3.8%-5.83%	\$ 270,025
USDA RIP 93-11	9/25/2017	186,144	3%	133,009
USDA RIP 96-03	11/8/2020	390,000	3%	278,786
USDA RUS 2004	12/31/2044	100,000	4.25%	97,000
				<u>\$ 778,820</u>

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

The annual requirements to amortize the above bonds as of June 30, 2008, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 49,487	\$ 24,867	\$ 74,354
2010	51,423	23,462	74,885
2011	52,385	21,980	74,365
2012	53,376	20,463	73,839
2013	55,397	18,908	74,305
2014-2018	304,356	68,142	372,498
2019-2023	136,396	24,790	161,186
2024-2028	10,000	15,310	25,310
2029-2033	14,000	12,940	26,940
2034-2038	16,000	9,790	25,790
2039-2043	20,000	5,950	25,950
2044	16,000	1,150	17,150
	<u>\$ 778,820</u>	<u>\$ 247,752</u>	<u>\$ 1,026,572</u>

NOTE G: PROPERTY TAXES

The County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

NOTE H: PENSION PLAN

The Village offers a deferred compensation plan in accordance with Internal Revenue Service code 457. All full-time employees are covered by the plan after completing 1,000 hours of service. As employer, the Village matches the employees contribution up to an amount equal to 5% of the employee's compensation each month. Employees are 100% vested after enrollment, and benefits are available at age 59 1/2. If an employee terminates his employment before age 59 1/2, 100% of the account is available to the beneficiary. The plan has certain provisions for hardship withdrawal. The plan is funded through Equi-vest. The employees take full responsibility for investing their contributions as well as their share of the Village's contributions. The Village Clerk is the plan administrator. For the fiscal year ended June 30, 2008, 2007 and 2006 the Village incurred \$13,819, \$13,323 and \$12,807 in total pension costs. Pension costs are in current service costs accrued and funded on a current basis. There are no prior service costs.

NOTE I: POST-EMPLOYMENT BENEFITS

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 has elected not to participate in this plan.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
Notes to the Financial Statements
June 30, 2008

NOTE J: RECEIVABLES

Receivables as of June 30, 2008, were as follows:

	General Funds	Capital Project	Non-Major Funds	Utilities
Accounts Receivable	\$	\$	\$	\$ 95,257
Property Taxes	2,171	0	0	0
Franchise Taxes	9,235	0		0
Gross Receipts Taxes	42,551	0	0	0
Gasoline Taxes	0	0	6,112	0
Other Taxes	476	0	239	0
Fees	4,355	0	0	0
Due from Grantor	0	0	1,859	0
	<u>\$ 58,788</u>	<u>\$ 0</u>	<u>\$ 8,210</u>	<u>\$ 95,257</u>

All receivable balances are expected to be collected within one year.

NOTE K: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

As of June 30, 2008, the Village had the following interfund transfers:

Transfer From		Transfer To	
General	\$ 28,404	Recreation	\$ 28,404
General	35,685	Older American	35,685
General	53,225	Debt Service	53,225
Water Filter	12,223	General	12,223
CP Gallegos	2,266	Capital Projects	2,266
CP RUS	245	Capital Projects	245
Waste Water	713	Capital Projects	713
	<u>\$ 132,761</u>		<u>\$ 132,761</u>

The above transfers were made to the funds to support current operations in the funds and to clean up old inactive funds by consolidating them with other capital projects. The transfer from Water Filter to General was to repay the General Fund for money loans in prior years to support the Water Filter project. None of the above transfers will be repaid.

NOTE L: RISK MANAGEMENT

The Village is exposed to various risks of losses related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has obtained insurance through a commercial carrier to insure against potential losses and claims. The premiums are based on payroll and other expenditures, and are not directly related to claims filed. The policies are retrospectively rated and premiums may be adjusted after year end based on the ultimate level of expenditures.

NOTE M: SURETY BOND

The officials and certain employees of the Village are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE N: LANDFILL

The Village is a member of the Otero Regional Waste Authority and consequently does not account for landfill closure and post-closure care cost since the Authority is a separate entity that has its own accounting system. The Village has also hired a contractor for solid waste service pick-up, and therefore is also not subject to these accounting requirements.

NOTE O: DEFICIT FUND BALANCE

The fire fund ended the year with a \$315 deficit fund balance. There were \$5,372 accounts payables at year end. The state grant was received in July, 2008 resolving the deficit.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 CAPITAL PROJECTS FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,965,669	\$ 2,965,669	\$ 1,013,840	\$ (1,951,829)
Federal Grant	499,888	499,888	0	
Interest Income	0	0	834	834
Miscellaneous	0	0	2,143	2,143
Total Revenues	<u>3,465,557</u>	<u>3,465,557</u>	<u>1,016,817</u>	<u>(1,948,852)</u>
Expenditures				
Capital Projects				
Capital Outlay				
Equipment	1,328,717	1,328,717	683,333	645,384
Utility-Water	1,127,958	1,127,958	276,180	851,778
Buildings & Improvement	1,002,267	1,002,267	50,590	951,677
Total Expenditures	<u>3,458,942</u>	<u>3,458,942</u>	<u>1,010,103</u>	<u>2,448,839</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,615</u>	<u>6,615</u>	<u>6,714</u>	<u>99</u>
Other Financing Sources (Uses)				
Transfer from Baseball	2,266	2,266	2,266	0
Transfer from Rus	245	245	245	0
Transfer from Waste Water	713	713	713	0
Total Other Sources (Uses)	<u>3,224</u>	<u>3,224</u>	<u>3,224</u>	<u>0</u>
Net Change in Cash Balance	9,839	9,839	9,938	99
Cash Balance Beginning of Year	<u>(8,502)</u>	<u>(8,502)</u>	<u>(8,502)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,337</u>	<u>\$ 1,337</u>	<u>\$ 1,436</u>	<u>\$ 99</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,714	
Net change in Due from Grantor			<u>(8,502)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,788)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR FUNDS

Fire Protection

To account for the operation and maintenance of the Village Fire Department. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

Law Enforcement

To account for funds received from the State of New Mexico for law enforcement purposes. The fund was created by the authority of state grant provisions. (NMSA 29-13-3)

Correction Fund

To account for the collection of fines which are used to supplement the cost of prisoner housing. The fund was created by the authority of state statute. (Section 29-1301 NASA 1978)

Gas Tax

To account for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by the authority of state grant provisions. (NMSA 29-13-3)

Recreation

To account for the operation and maintenance of the Village's youth recreation program. Financing is provided by the state shared cigarette tax. The fund was created by the authority of state statute. (NMSA 7-12-15)

Summer Food

To account for the receipts and expenditures related to the state grants based upon agreement with the New Mexico Children, Youth and Families Department for the purpose of providing meals for the youth of Tularosa during the summer months when school nutritional facilities are not available. The fund was created by the authority of state grant provisions.

Older American

To account for the receipts and expenditures related to the Senior Citizens Center. The fund was created by the village ordinance.

Capital Project-Gallegos Baseball Improvement Fund

The Capital Projects Funds are used to account for the revenue and expenditures related to capital improvements as related to the baseball field.

RUS Waste Water Improvement Fund

The Capital Projects Funds is used to account for the revenue and expenditures related to capital improvements.

Water Filter Plant Improvements

The Capital Projects Funds is used to account for the revenue and expenditures related to capital improvements.

Waste Water Plant Improvements

The Capital Projects Funds is used to account for the revenue and expenditures related to capital improvements.

Debt Service

To account for resources and payments made for debt service.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 NONMAJOR FUNDS
 Combining Balance Sheet
 June 30, 2008

	<u>Fire Department</u>	<u>Law Enforcement</u>	<u>Correction Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,057	\$ 1	\$ 12,515
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Total Assets	<u>\$ 5,057</u>	<u>\$ 1</u>	<u>\$ 12,515</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 5,372	\$ 0	\$ 0
Interfund Balances	0	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>5,372</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue Fund	(315)	1	12,515
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>(315)</u>	<u>1</u>	<u>12,515</u>
Total Liabilities and Fund Balance	<u>\$ 5,057</u>	<u>\$ 1</u>	<u>\$ 12,515</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	<u>Gas Tax Fund</u>	<u>Recreation Fund</u>	<u>Summer Food</u>
ASSETS			
Cash and Cash Equivalents	\$ 134,269	\$ 4,287	\$ 2,079
Receivables			
Taxes	6,111	240	0
Due from Grantor	0	0	0
Total Assets	<u>\$ 140,380</u>	<u>\$ 4,527</u>	<u>\$ 2,079</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 145	\$ 212
Interfund Balances	0	0	0
Accrued Salaries & Benefits	0	708	922
Total Liabilities	<u>0</u>	<u>853</u>	<u>1,134</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue Fund	140,380	3,674	945
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>140,380</u>	<u>3,674</u>	<u>945</u>
Total Liabilities and Fund Balance	<u>\$ 140,380</u>	<u>\$ 4,527</u>	<u>\$ 2,079</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2008

	Older American Fund	Capital Projects Gallegos Baseball Fund	Capital Projects RUS Waste Water Plant
ASSETS			
Cash and Cash Equivalents	\$ 58,590	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	1,859	0	0
Total Assets	<u>\$ 60,449</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 621	\$ 0	\$ 0
Interfund Balances	0	0	0
Accrued Salaries & Benefits	6,146	0	0
Total Liabilities	<u>6,767</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue Fund	53,682	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>53,682</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 60,449</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 NONMAJOR FUNDS
 Combining Balance Sheet
 June 30, 2008

	Capital Projects Water Filter Plant Improvements	Capital Projects Waste Water Plant Improvements	Debt Service
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 101,100
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,100</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Accrued Salaries & Benefits	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved Reported In:			
Special Revenue Fund	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	101,100
Total Fund Balance	<u>0</u>	<u>0</u>	<u>101,100</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,100</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 NONMAJOR FUNDS
 Combining Balance Sheet
 June 30, 2008

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 317,898
Receivables	
Taxes	6,351
Due from Grantor	<u>1,859</u>
Total Assets	<u>\$ 326,108</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	6,350
Interfund Balances	0
Accrued Salaries & Benefits	<u>7,776</u>
Total Liabilities	<u>\$ 14,126</u>
 Fund Balance	
Unreserved Reported In:	
Special Revenue Fund	210,882
Capital Projects	0
Debt Service	<u>101,100</u>
Total Fund Balance	<u>311,982</u>
 Total Liabilities and Fund Balance	<u>\$ 326,108</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Fire Department	Law Enforcement	Correction Fund
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 0	\$ 0
Gasoline Tax	0	0	0
Cigarette Tax	0	0	0
Charges for Services	0	0	32,969
State Grant	61,995	23,600	0
Federal Grant	0	0	0
Interest Income	245	145	272
Miscellaneous	1,006	0	0
Total Revenues	63,246	23,745	33,241
Expenditures			
Current			
Public Safety	21,482	1,512	47,393
Public Works	0	0	0
Cultural & Recreation	0	0	0
Capital Outlay	25,380	0	0
Debt Services			
Principal	10,577	21,200	0
Interest	1,025	1,800	0
Total Expenditures	58,464	24,512	47,393
Excess (Deficiency) of Revenues Over Expenditures	<u>4,782</u>	<u>(767)</u>	<u>(14,152)</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	4,782	(767)	(14,152)
Fund Balance at Beginning of Year	<u>(5,097)</u>	<u>768</u>	<u>26,667</u>
Fund Balance End of Year	<u>\$ (315)</u>	<u>\$ 1</u>	<u>\$ 12,515</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	<u>Gas Tax Fund</u>	<u>Recreation Fund</u>	<u>Summer Food Fund</u>
Revenues			
Taxes			
Gross Receipts Tax	\$ 45,080	\$ 0	\$ 0
Gasoline Tax	43,903	0	0
Cigarette Tax	0	2,411	0
Charges for Services	0	0	0
State Grant	0	0	14,159
Federal Grant	0	0	0
Interest Income	1,213	51	0
Miscellaneous	0	5,878	0
Total Revenues	<u>90,196</u>	<u>8,340</u>	<u>14,159</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	4,920	0	0
Cultural & Recreation	0	36,747	14,731
Capital Outlay	0	0	0
Debt Services			
Principal	16,016	0	0
Interest	4,274	0	0
Total Expenditures	<u>25,210</u>	<u>36,747</u>	<u>14,731</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>64,986</u>	<u>(28,407)</u>	<u>(572)</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	28,404	0
Total Other Sources (Uses)	<u>0</u>	<u>28,404</u>	<u>0</u>
Net Change in Fund Balance	64,986	(3)	(572)
Fund Balance at Beginning of Year	<u>75,394</u>	<u>3,677</u>	<u>1,517</u>
Fund Balance End of Year	<u>\$ 140,380</u>	<u>\$ 3,674</u>	<u>\$ 945</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Older American Fund	Capital Projects Gallegos Baseball Fund	Capital Projects RUS Waste Water Plant
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 0	\$ 0
Gasoline Tax	0	0	0
Cigarette Tax	0	0	0
Charges for Services	32,381	0	0
State Grant	119,016	0	0
Federal Grant	52,417	0	0
Interest Income	605	0	0
Miscellaneous	6,075	0	0
Total Revenues	<u>210,495</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	258,021	0	0
Cultural & Recreation	0	0	0
Capital Outlay	0	0	0
Debt Services			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>258,021</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(47,526)</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/Out	35,685	(2,266)	(245)
Total Other Sources (Uses)	<u>35,685</u>	<u>(2,266)</u>	<u>(245)</u>
Net Change in Fund Balance	(11,841)	(2,266)	(245)
Fund Balance at Beginning of Year	<u>65,523</u>	<u>2,266</u>	<u>245</u>
Fund Balance End of Year	<u>\$ 53,682</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Capital Projects Water Filter Plant Improvements	Capital Projects Waste Water Plant Improvements	Debt Service
Revenues			
Taxes			
Gross Receipts Tax	\$ 0	\$ 0	\$ 0
Gasoline Tax	0	0	0
Cigarette Tax	0	0	0
Charges for Services	0	0	0
State Grant	0	0	0
Federal Grant	0	0	0
Interest Income	0	0	3,541
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>3,541</u>
Expenditures			
Current			
Public Safety	0	0	0
Public Works	0	0	0
Cultural & Recreation	0	0	0
Capital Outlay	0	0	0
Debt Services			
Principal	0	0	40,000
Interest	0	0	13,283
Total Expenditures	<u>0</u>	<u>0</u>	<u>53,283</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(49,742)</u>
Other Financing Sources (Uses)			
Transfers In/Out	<u>(12,223)</u>	<u>(713)</u>	<u>53,225</u>
Total Other Sources (Uses)	<u>(12,223)</u>	<u>(713)</u>	<u>53,225</u>
Net Change in Fund Balance	(12,223)	(713)	3,483
Fund Balance at Beginning of Year	<u>12,223</u>	<u>713</u>	<u>97,617</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,100</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 NONMAJOR FUNDS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Year Ended June 30, 2008

	<u>Total</u>
Revenues	
Taxes	
Gross Receipts Tax	\$ 45,080
Gasoline Tax	43,903
Cigarette Tax	2,411
Charges for Services	65,350
State Grant	218,770
Federal Grant	52,417
Interest Income	6,072
Miscellaneous	12,959
Total Revenues	<u>446,963</u>
Expenditures	
Current	
Public Safety	70,387
Public Works	262,941
Cultural & Recreation	51,478
Capital Outlay	25,380
Debt Services	
Principal	87,793
Interest	20,382
Total Expenditures	<u>518,361</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(71,398)</u>
Other Financing Sources (Uses)	
Transfers In/Out	101,867
Total Other Sources (Uses)	<u>101,867</u>
Net Change in Fund Balance	30,469
Fund Balance at Beginning of Year	<u>281,513</u>
Fund Balance End of Year	<u>\$ 311,982</u>

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE FUND-FIRE
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 61,995	\$ 61,995	\$ 61,995	\$ 0
Interest	0	0	245	245
Miscellaneous	1,000	1,000	1,007	7
Total Revenues	<u>62,995</u>	<u>62,995</u>	<u>63,247</u>	<u>252</u>
Expenditures				
Public Safety				
Travel & Training	3,267	3,267	179	3,088
Maintenance	5,000	5,000	3,460	1,540
Insurance	8,819	8,819	8,819	0
Utilities	4,000	4,000	4,662	(662)
Capital Purchase	25,756	25,756	25,380	376
Debt Service				
Principal	10,577	10,577	10,577	0
Interest	1,025	1,025	1,026	(1)
Total Expenditures	<u>58,444</u>	<u>58,444</u>	<u>54,103</u>	<u>4,341</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,551</u>	<u>4,551</u>	<u>9,144</u>	<u>4,593</u>
Other Financing Sources (Uses)				
Dues from General Fund	(5,000)	(5,000)	(5,000)	0
Total Other Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Net Change in Cash Balance	(449)	(449)	4,144	4,593
Cash Balance Beginning of Year	<u>913</u>	<u>913</u>	<u>913</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 464</u>	<u>\$ 464</u>	<u>\$ 5,057</u>	<u>\$ 4,593</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,144	
Net change in Accounts Payable			(4,362)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,782</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE FUND-LAW ENFORCEMENT
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 23,600	\$ 23,600	\$ 23,600	\$ 0
Interest Income	144	144	145	1
Total Revenues	<u>23,744</u>	<u>23,744</u>	<u>23,745</u>	<u>1</u>
Expenditures				
Public Safety				
Training	1,512	1,512	1,512	0
Debt Service				
Principal	21,200	21,200	21,200	0
Interest	1,800	1,800	1,800	0
Total Expenditures	<u>24,512</u>	<u>24,512</u>	<u>24,512</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(768)</u>	<u>(768)</u>	<u>(767)</u>	<u>1</u>
Cash Balance Beginning of Year	<u>768</u>	<u>768</u>	<u>768</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1</u>	\$ <u>1</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(767)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(767)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE FUND-CORRECTION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Correction Fees	\$ 37,943	\$ 37,943	\$ 32,969	\$ (4,974)
Interest Income	0	0	272	272
Total Revenues	<u>37,943</u>	<u>37,943</u>	<u>33,241</u>	<u>(4,702)</u>
Expenditures				
Public Safety				
Housing Of Prisoners	47,393	47,393	47,393	0
Total Expenditures	<u>47,393</u>	<u>47,393</u>	<u>47,393</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,450)	(9,450)	(14,152)	(4,702)
Cash Balance Beginning of Year	26,667	26,667	26,667	0
Cash Balance End of Year	\$ <u>17,217</u>	\$ <u>17,217</u>	\$ <u>12,515</u>	\$ <u>(4,702)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(14,152)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(14,152)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
NON-MAJOR FUND-GAS TAX FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gasoline Tax	\$ 30,800	\$ 30,800	\$ 41,198	\$ 10,398
Gross Receipts Tax	44,019	44,019	45,080	1,061
State Coop Grant	61,962	61,962	0	(61,962)
Interest Income	1,300	1,300	1,213	(87)
Total Revenues	<u>138,081</u>	<u>138,081</u>	<u>87,491</u>	<u>(50,590)</u>
Expenditures				
Public Works				
Maintenance	55,815	55,815	4,920	50,895
Capital Outlay	61,962	61,962	0	61,962
Principal	20,304	20,304	16,016	4,288
Interest	0	0	4,273	(4,273)
Total Expenditures	<u>138,081</u>	<u>138,081</u>	<u>25,209</u>	<u>112,872</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	62,282	62,282
Cash Balance Beginning of Year	<u>71,987</u>	<u>71,987</u>	<u>71,987</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>71,987</u></u>	\$ <u><u>71,987</u></u>	\$ <u><u>134,269</u></u>	\$ <u><u>62,282</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 62,282	
Net change in Taxes Receivable			<u>2,704</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>64,986</u></u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE FUND-RECREATION
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Cigarette Taxes	\$ 1,879	\$ 1,879	\$ 2,425	\$ 546
Contributions/Donations	4,368	4,368	5,878	1,510
Interest Income	0	0	51	51
Total Revenues	<u>6,247</u>	<u>6,247</u>	<u>8,354</u>	<u>2,107</u>
Expenditures				
Culture & Recreation				
Salaries	20,086	20,086	18,296	1,790
Benefits	1,547	1,547	1,409	138
Travel	70	70	52	18
Utilities	8,000	8,000	8,609	(609)
Other	5,299	9,299	9,259	40
Total Expenditures	<u>35,002</u>	<u>39,002</u>	<u>37,625</u>	<u>1,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,755)</u>	<u>(32,755)</u>	<u>(29,271)</u>	<u>3,484</u>
Other Financing Sources (Uses)				
Dues from General Fund	28,404	28,404	28,404	0
Total Other Sources (Uses)	<u>28,404</u>	<u>28,404</u>	<u>28,404</u>	<u>0</u>
Net Change in Cash Balance	(351)	(4,351)	(867)	3,484
Cash Balance Beginning of Year	<u>5,154</u>	<u>5,154</u>	<u>5,154</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,803</u>	<u>\$ 803</u>	<u>\$ 4,287</u>	<u>\$ 3,484</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (29,271)	
Net change in Taxes Receivable			(14)	
Net change in Accounts Payable			938	
Net change in Accrued Salaries & Benefits			(60)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (28,407)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE-SUMMER FOOD FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 17,828	\$ 17,828	\$ 17,242	\$ (586)
Total Revenues	<u>17,828</u>	<u>17,828</u>	<u>17,242</u>	<u>(586)</u>
Expenditures				
Culture & Recreation				
Salaries	5,959	5,959	4,836	(1,123)
Benefits	456	456	375	(81)
Supplies	926	926	9,481	8,555
Other	1,709	1,709	176	(1,533)
Travel	938	938	499	(439)
Total Expenditures	<u>9,988</u>	<u>9,988</u>	<u>15,367</u>	<u>5,379</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,840</u>	<u>7,840</u>	<u>1,875</u>	<u>(5,965)</u>
Cash Balance Beginning of Year	<u>204</u>	<u>204</u>	<u>204</u>	<u>0</u>
Cash Balance End of Year	\$ <u>8,044</u>	\$ <u>8,044</u>	\$ <u>2,079</u>	\$ <u>(5,965)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,875	
Net change in Due from Grantor			(3,083)	
Net change in Accounts Payable			924	
Net change in Accrued Salaries & Benefits			(288)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>(572)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
SPECIAL REVENUE-OLDER AMERICAN FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Meals Served-Concreated	\$ 23,000	\$ 23,000	\$ 28,663	\$ 5,663
Meals Served-Home Delivered	30,000	30,000	3,718	(26,282)
Other	0	0	1,182	1,182
Interest Income	50	50	605	555
State-AOA	101,691	101,691	119,701	18,010
Federal-IIIB	18,610	18,610	24,622	6,012
Federal-IIIC-1	24,527	24,527	26,284	1,757
Federal-IIIC-2	8,112	8,112	9,473	1,361
Cash in Lieu of Commodities	9,500	9,500	9,542	42
County Match	25,400	25,400	25,400	0
Project Income	6,000	6,000	4,893	(1,107)
Hunter Grant	6,000	6,000	6,000	0
Total Revenues	<u>252,890</u>	<u>252,890</u>	<u>260,083</u>	<u>7,193</u>
Expenditures				
Public Works				
Salaries	149,175	149,175	149,211	(36)
Benefits	40,847	40,847	40,963	(116)
Insurance	7,728	7,728	7,728	0
Maintenance	9,214	9,214	8,005	1,209
Other	2,400	24,000	1,465	22,535
Professional Fees	3,000	3,000	3,000	0
Supplies	38,316	39,316	37,923	1,393
Travel	2,400	2,400	220	2,180
Utilities	12,220	12,220	12,082	138
Total Expenditures	<u>265,300</u>	<u>287,900</u>	<u>260,597</u>	<u>27,303</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,410)</u>	<u>(35,010)</u>	<u>(514)</u>	<u>34,496</u>
Other Financing Sources (Uses)				
Dues From General Fund	<u>35,685</u>	<u>35,685</u>	<u>35,685</u>	<u>0</u>
Total Other Sources (Uses)	<u>35,685</u>	<u>35,685</u>	<u>35,685</u>	<u>0</u>
Net Change in Cash Balance	23,275	675	35,171	34,496
Cash Balance Beginning of Year	<u>23,419</u>	<u>23,419</u>	<u>23,419</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 46,694</u>	<u>\$ 24,094</u>	<u>\$ 58,590</u>	<u>\$ 34,496</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (514)	
Net change in Due from Grantor			(49,589)	
Net change in Accounts Payable			3,606	
Net change in Accrued Salaries and Benefits			(1,029)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (47,526)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 CAPITAL PROJECTS-GALLEGOS BASEBALL IMPROVEMENT FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
NMFA	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Contract Services	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfer to Capital Projects	(2,266)	(2,266)	(2,266)	0
Total Other Sources (Uses)	<u>(2,266)</u>	<u>(2,266)</u>	<u>(2,266)</u>	<u>0</u>
Net Change in Cash Balance	(2,266)	(2,266)	(2,266)	0
Cash Balance Beginning of Year	<u>2,266</u>	<u>2,266</u>	<u>2,266</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 CAPITAL PROJECTS-RUS WASTE WATER IMPROVEMENT FUND
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
RUS Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Projects	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfer from Baseball	(245)	(245)	(245)	0
Total Other Sources (Uses)	<u>(245)</u>	<u>(245)</u>	<u>(245)</u>	<u>0</u>
Net Change in Cash Balance	(245)	(245)	(245)	0
Cash Balance Beginning of Year	<u>245</u>	<u>245</u>	<u>245</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 CAPITAL PROJECTS-WATER FILTER PLANT IMPROVEMENTS
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0
Other Income	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfer to Capital Projects	<u>(12,223)</u>	<u>(12,223)</u>	<u>(12,223)</u>	<u>0</u>
Total Other Sources (Uses)	<u>(12,223)</u>	<u>(12,223)</u>	<u>(12,223)</u>	<u>0</u>
Net Change in Cash Balance	(12,223)	(12,223)	(12,223)	0
Cash Balance Beginning of Year	<u>12,223</u>	<u>12,223</u>	<u>12,223</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
CAPITAL PROJECTS-WASTE WATER TREATMENT PLANT IMPROVEMENTS
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
USDA Administration	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfer to Capital Projects	(713)	(713)	(713)	0
Total Other Sources (Uses)	<u>(713)</u>	<u>(713)</u>	<u>(713)</u>	<u>0</u>
Net Change in Cash Balance	(713)	(713)	(713)	0
Cash Balance Beginning of Year	713	713	713	0
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
DEBT SERVICE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 40	\$ 40	\$ 3,541	\$ 3,501
Total Revenues	<u>40</u>	<u>40</u>	<u>3,541</u>	<u>3,501</u>
Expenditures				
Debt Service				
Principal	40,000	40,000	40,000	0
Interest	13,225	13,225	13,225	0
Fiscal Charges	58	58	58	0
Total Expenditures	<u>53,283</u>	<u>53,283</u>	<u>53,283</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(53,243)</u>	<u>(53,243)</u>	<u>(49,742)</u>	<u>3,501</u>
Other Financing Sources (Uses)				
Transfer in from General	53,225	53,225	53,225	0
Total Other Sources (Uses)	<u>53,225</u>	<u>53,225</u>	<u>53,225</u>	<u>0</u>
Net Change in Cash Balance	(18)	(18)	3,483	3,501
Cash Balance Beginning of Year	<u>97,617</u>	<u>97,617</u>	<u>97,617</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 97,599</u>	<u>\$ 97,599</u>	<u>\$ 101,100</u>	<u>\$ 3,501</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(49,742)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(49,742)</u>	

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

ENTERPRISE FUNDS

Water, Sewer, and Solid Waste Funds- The Water, Sewer and Solid Waste Funds are used to account for the provision of water, sewer, and solid waste services to the residents of the Village. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
ENTERPRISE FUND-WATER

Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 508,155	\$ 508,155	\$ 577,847	\$ 69,692
Connection Fees	2,212	2,212	25,377	23,165
Conservation Fees	6,734	6,734	5,644	(1,090)
Interest Income	1,020	1,020	4,815	3,795
Other	2,769	2,769	13,918	11,149
Governmental Gross Receipts Tax	32,409	32,409	36,070	3,661
Total Revenues	553,299	553,299	663,671	110,372
Expenditures				
Salaries	243,766	268,766	268,951	(185)
Benefits	57,786	63,986	63,959	27
Travel	2,000	2,000	1,986	14
Maintenance	47,375	54,375	55,191	(816)
Contract Services	18,500	21,000	20,773	227
Supplies	20,500	20,500	20,836	(336)
Training	2,000	2,000	649	1,351
Insurance	45,000	45,000	43,068	1,932
Utilities	32,000	32,000	31,486	514
Other	4,500	4,500	6,662	(2,162)
Government Gross Receipts Tax	25,500	30,500	30,900	(400)
Water Conservation Fee	6,000	6,000	5,300	700
Water Assessments	6,063	6,063	2,905	3,158
Debt Service				
Principal	69,570	69,570	47,579	21,991
Interest	0	0	21,989	(21,989)
Total Expenditures	580,560	626,260	622,234	4,026
Excess (Deficiency) of Revenues Over Expenditures	(27,261)	(72,961)	41,437	114,398
Cash Balance Beginning of Year	167,408	167,408	167,408	0
Cash Balance End of Year	\$ 140,147	\$ 94,447	\$ 208,845	\$ 114,398

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ 41,437
Depreciation	(105,545)
Principal Paid	47,579
Net change in Accounts Receivable	6,108
Net change in Accounts Payable	7,313
Net change in Accrued Salaries & Benefits	96
Net change in Accrued Interest	1,976
Net change in Compensated Absences	(6,786)
Net change in Customer Deposits	(6,714)
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ (14,536)

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
ENTERPRISE FUND-SEWER
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 126,985	\$ 126,985	\$ 128,159	\$ 1,174
Connection Fees	6,857	6,857	2,400	(4,457)
Interest Income	500	500	1,338	838
Total Revenues	<u>134,342</u>	<u>134,342</u>	<u>131,897</u>	<u>(2,445)</u>
Expenditures				
Salaries	62,848	76,848	76,177	671
Benefits	14,981	15,581	15,492	89
Travel	1,350	1,350	270	1,080
Maintenance	30,690	30,690	31,579	(889)
Supplies	5,481	8,981	8,864	117
Training	800	800	0	800
Utilities	27,860	36,860	36,749	111
Other	1,900	1,900	1,611	289
Capital Outlay				
Principal	4,170	4,170	4,164	6
Interest	1,000	1,000	1,000	0
Total Expenditures	<u>151,080</u>	<u>178,180</u>	<u>175,906</u>	<u>2,274</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,738)</u>	<u>(43,838)</u>	<u>(44,009)</u>	<u>(171)</u>
Other Financing Sources (Uses)				
Transfer from Solid Waste	<u>(5,040)</u>	<u>(5,040)</u>	<u>0</u>	<u>(5,040)</u>
Total Other Sources (Uses)	<u>(5,040)</u>	<u>(5,040)</u>	<u>0</u>	<u>(5,040)</u>
Net Change in Cash Balance	(21,778)	(48,878)	(44,009)	(5,211)
Cash Balance Beginning of Year	<u>113,412</u>	<u>113,412</u>	<u>113,412</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 91,634</u>	<u>\$ 64,534</u>	<u>\$ 69,403</u>	<u>\$ (5,211)</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (44,009)	
Depreciation			(59,828)	
Net change in Accounts Receivable			2,110	
Net change in Accounts Payable			(403)	
Net change in Accrued Salaries & Benefits			(488)	
Net change in Accrued Interest			40	
Net change in Compensated Absences			244	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (102,334)</u>	

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

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
ENTERPRISE FUND-SOLID WASTE
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Sales & Service	\$ 178,849	\$ 178,849	\$ 162,379	\$ (16,470)
Interest Income	0	0	1,724	1,724
Miscellaneous	0	0	272	272
Environmental Gross Receipts Tax	15,367	15,367	17,510	2,143
Excess Gross Receipts Tax	14,664	14,664	16,054	1,390
Taxes	2,719	2,719	1,328	(1,391)
Total Revenues	<u>211,599</u>	<u>211,599</u>	<u>199,267</u>	<u>(12,332)</u>
Expenditures				
Contract Services	201,103	201,103	183,256	17,847
Miscellaneous	0	0	30	(30)
Total Expenditures	<u>201,103</u>	<u>201,103</u>	<u>183,286</u>	<u>17,817</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,496</u>	<u>10,496</u>	<u>15,981</u>	<u>5,485</u>
Other Financing Sources (Uses)				
Transfer to General Fund	(5,456)	(5,456)	0	(5,456)
Transfer to Sewer	(5,040)	(5,040)	0	(5,040)
Total Other Sources (Uses)	<u>(10,496)</u>	<u>(10,496)</u>	<u>0</u>	<u>(10,496)</u>
Net Change in Cash Balance	0	0	15,981	(5,011)
Cash Balance Beginning of Year	<u>65,838</u>	<u>65,838</u>	<u>65,838</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 65,838</u>	<u>\$ 65,838</u>	<u>\$ 81,819</u>	<u>\$ (5,011)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,981	
Net change in Taxes Receivable			(2,067)	
Net change in Accounts Receivable			2,299	
Net change in Accounts Payable			10,091	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 26,304</u>	

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

AGENCY FUNDS

Motor Vehicle Department

To account for the collection and disbursement of Motor Vehicle Department fees to the State Motor Vehicle Department.

Disbursement Fund

These funds are used to account for transfers from other funds to disburse expenditures.

Payroll Fund

These funds are used to account for transfers from other funds to disburse payroll and related expenditures.

Courts

To account for funds collected for the fines that are remitted to the State of New Mexico for judicial education and court automation.

STATE OF NEW MEXICO
VILLAGE OF TULAROSA
 AGENCY FUND
 Schedule of Changes on Assets and Liabilities
 June 30, 2008

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
ASSETS				
Cash	\$ 22,866	\$ 1,775,828	\$ 1,779,948	\$ 18,746
Total Assets	<u>\$ 22,866</u>	<u>\$ 1,775,828</u>	<u>\$ 1,779,948</u>	<u>\$ 18,746</u>
LIABILITIES				
Due To Other Agencies	\$ 22,866	\$ 1,775,828	\$ 1,779,948	\$ 18,746
Total Liabilities	<u>\$ 22,866</u>	<u>\$ 1,775,828</u>	<u>\$ 1,779,948</u>	<u>\$ 18,746</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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*

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the VILLAGE OF TULAROSA

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining and individual funds presented as supplemental information of the VILLAGE OF TULAROSA (Village), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing the audit 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 Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village'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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration - Local Government and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

December 1, 2008

Prior Year Audit Findings

2003-2 Late Audit Report

Status
Resolved

Current Year Audit Findings

There are no current year audit findings.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby, CPA. However, management is responsible for the contents of the Financial Statements.

Exit Conference

An exit conference was held on December 1, 2008. In attendance were Ray Cordova-Maoyr, Dianna Brusuelas-Village Clerk, Monica Voorbach-Payroll Clerk, Valarie Delgado-Accounts Payable Clerk and De'Aun Willoughby, CPA.