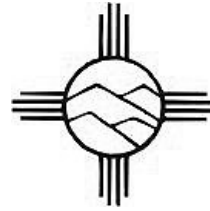


# Tierra Grande Tales 'n' Trails

September 2007



**Tierra  
Grande  
Improvement  
Association**

P.O. Box 1388 • Belen New Mexico 87002 • 505 864-2345

## *Discussions at 2007 Meeting Cover Wide Variety of Topics*

Approximately 91 land owners attended the July 28, 2007 annual meeting of Tierra Grande Improvement Association held at the Tierra del Sol Country Club in Rio Communities.

TGIA Board President George Koch welcomed everyone and performed introductions.

TGIA Vice President and Treasurer Judi Magnusen gave the treasurer's report (see page 2). She explained that the Board asked for bids from six companies to create a new DVD about Tierra Grande. Three companies responded. The new DVD of Tierra Grande is included with this newsletter. If you do not receive a copy please call the TGIA offices at 505 864-2345.

A new website has also been developed for Tierra Grande, effective August 31, 2007. The ad-

dress is the same: [www.tierragrande.org](http://www.tierragrande.org) but the site is totally different. The site now includes the newsletter and is very user friendly and informative.

### *BNSF Right-Of-Way*

Mr. Koch reminded everyone that at the 2006 TGIA meeting one of the items discussed was the acquisition by the Burlington Northern Santa Fe Railway (BNSF) of a portion of the canyon for an expanded right-of-way in the Abo Canyon for the railroad to add another set of tracks.

With the help of then TGIA Attorney Cynthia Wimberly, TGIA was able to get a release from the reversionary clause that had been part of the original land transfer. This resulted in TGIA becoming the proud owner of about 1,700 acres of forest, mountain and hillside property in the Manzano Mountains. The acquired land also includes Black Butte Mountain along Highway 60 and part of Abo Canyon.

Mr. Koch said he knows of no other development in the Southwest which is fortunate enough to have access to the type and amount of wilderness now held by TGIA

### *Association Can Continue*

Mr. Koch said the Association received a letter the day before the meeting from TGIA attorney Norman McDonald stating that Tierra Grande Improvement Association can, in some form, continue in the future so that there can be a holding of the property forever.

The current Association expires in 2013,

*Continued on page 7*



*Vince Giangrossi, left, a Tierra Grande resident, chats with Tierra Grande land owners, at the map display before the 2007 annual meeting.*

# JULY 2007 TGIA TREASURER'S REPORT

Total Assessed Members .....	2,554
Total Assessed Lots .....	3,486
Total Unassessed Lots* .....	1,974

\* Developer New Mexico Land Company, LLC, Weldon McKinley and TGIA

Units 6,8 & 25 are excluded from this report. Owned by Harvey Yates, Unassessed, Commercial Property

## CURRENT ASSETS AS OF JUNE 30, 2007

MyBank Checking	\$ 4,042
NM Bank & Trust Savings	\$50,232
CD - NM Bank & Trust	\$44,968
CD - NM Bank & Trust	<u>\$29,955</u>

COLLECTED ASSESSMENTS (7-01-06 - 6-30-07)	\$155,177
TOTAL UNPAID ASSESSMENTS	\$68,953

## TGIA CAPITAL IMPROVEMENTS 1991 - 6/30/07

Fire Station	\$92,984
Telephone Lines	\$54,673
Fencing	\$39,220
Roads / culverts / cattle guard	\$355,249
Signs / archways	\$25,708
Power lines	\$334,984
Brochure	\$4,175
Video (1999)	\$15,375 1999 Production

ASSESSMENTS BILLED 2005	\$131,250
INTEREST ACCRUED ON DELINQUENT ASSESSMENTS	\$5,083
APPROXIMATE INTEREST INCOME	\$5,153
2006 OPERATING BUDGET	\$126,958

## SEVEN YEAR PLAN FOR IMPROVEMENTS — 2007-20013

Due to the new ownership position on the recreational lands, a new plan is being formulated and will be presented in the December newsletter.

# Speakers Suggest Committee to Work on Manzano Project

Establishing a committee to be in charge of developing the new wilderness area in the Manzano Mountains which TGIA now owns was among the recommendations made by John Fredericks and Donna Butler, Tierra Grande residents, at the July 28, 2007, annual meeting.

The committee could oversee upkeep of the land, create a cost analysis of how to fund work

and make contact with local, state and federal governments to get input on how to better manage the land.

The committee could also:

- research the initial cost of fencing and signs necessary for the area.
- conduct a survey to see where easement roads are.

## TIERRA GRANDE RECREATION FACILITY QUESTIONNAIRE AND SURVEY

*This survey was developed as part of the talk given by John Fredericks and Donna Butler at the annual meeting. You may email your response to [jfredericks77@gmail.com](mailto:jfredericks77@gmail.com), fax the form to Tierra Grande at 505 861-3903 or cut it out to mail to Tierra Grande, P.O. Box 1388, Belen NM 87002.*

1. Are you willing to volunteer your time?  Yes  No
2. Do you want to see a committee formed to oversee development and maintenance?  Yes  No
3. Do you have any equipment or materials you would be willing to volunteer?  Yes  No
4. Would you be willing to donate money for the project?  Yes  No
5. Do you want to see organized development of the recreational area?  Yes  No
6. Would you like a map/directions of the proposed development areas?  Yes  No
7. Are you for any form of limited, controlled or monitored hunting in defined areas?  Yes  No
8. How would you like to see the land developed? Check all that apply  
 Hiking  Camping  ATV  Horseback riding  Hunting

Optional: Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone Number \_\_\_\_\_  
 check if you wish to NOT be contacted

Suggestions/Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Group Discusses Tierra Grande Covenants and Manzano Wilderness Area

About seventy residents of Tierra Grande met at the Tierra del Sol Country Club in Rio Communities this past June to talk about the Manzano Wilderness, Abo Canyon and Black Butte property held as a conservation area by Tierra Grande Improvement Association and about Tierra Grande's covenants.

TGIA Board President George Koch led the meeting which included about 75 minutes of discussion on both issues.

The recreational property is about 17,000 acres in the Manzano Mountains, Abo Canyon and Black Butte, said Mr. Koch. He pointed out that the Manzano Mountains is basically the ridge line which Tierra Grande residents can see from their patios.

## *No Reversionary Clause*

Mr. Koch said, "This meeting is about you because Tierra Grande has 17,000 acres that is now wholly owned by the association with no reversionary clause."

He added that some people want no high powered rifles in the area for safety reasons while others prefer no mechanized vehicles which tend to destroy the natural habitat.

## *Different Ideas on Recreation Acreage*

Mr. Koch then went around the room asking people to talk about what they thought would be good for the recreational property. Among the comments were:

- People should respect the lands. People are generally responsible and should know to stay on the roads.
- Hunters should be banned or restricted. All terrain vehicles might not be the best vehicle on any of the land.
- Concern about people having bonfires and being careless so that a fire might be started that could destroy the forest and kill the animals.



*The wilderness area TGIA now owns includes area that often gleam with snow in the winter.*

*(Photo by J. Magnusson)*

- Impact of public land adjoining the recreational wilderness. The Manzano Mountains are part of the Cibola National Forest.
- If unrestricted hunting is allowed then could impact the land values.
- Use of all terrain vehicles should be limited.
- Definitely don't need to be hunting in the area, said a man who drives his Jeep up in the foothills. "I really enjoy driving up those canyons," he said. "You can't see the houses and you enjoy the trees and being in the outdoors."

George Koch said it is possible to restrict the use of the recreational property to Tierra Grande residents. The property can be posted with "no hunting" signs.

## *Game and Fish Cooperative*

The New Mexico Game and Fish Department has been very cooperative with closing off the roads and getting the sheep back in the Manzano Mountains, pointed out Mr. Koch.

He emphasized that State Game and Fish has the ability to shut any land off from hunting. He added it is better for Game and Fish officials to enforce a "no hunting" ban than try to do it through Tierra Grande Improvement Association.

# DVD Included With This Newsletter; Great Information about Tierra Grande

Included with this newsletter is a new DVD about Tierra Grande. The last Tierra Grande video was produced in 1999 and with the addition of many more new Tierra Grande property owners, it was decided to update the information delivered to each member.

Today's visually literate population receives a tremendous amount of information from television and the Internet, so video has become more important to an organization's visibility to its members. Video also shows members how an organization is progressing.

The "Welcome to Tierra Grande" DVD is presented in six separate productions so the viewer can watch whichever subject interests him, or all of them. They are set out as follows, with the fig-

ure after the segment title indicating the duration of the segment in minutes and seconds:

Introduction – 7:13

Donner conversation – 5:45

Sights of Tierra Grande – 7:10

Dubiel conversation – 5:35

Trip to the Wilderness – 4:26

Brooks & Wooley conversation – 6:49

This DVD is a total 36:18 minutes long and was produced for a fraction of the cost of the previous 17-minute video -- thanks to TGIA shopping for the most economical production including the most information. It can be played on most DVD players and any computer which has the capacity to view DVDs. We hope you will find it both informative and entertaining.

## *Delinquent Accounts Will Go To Foreclosure on Third Year*

The TGIA Board has voted to send delinquent TGIA accounts into the foreclosure process at the third year if payment of assessments is not made by December 31st of that third year billing cycle.

This means that delinquent accounts that are beyond the third year limit will be forwarded to legal counsel in January of each year.

Owners of lots into the third year of non-payment will be notified on their assessment bills that the account will be sent to legal counsel to begin legal proceedings.

When the account is sent to legal counsel to start the legal proceedings an additional \$60 fee is incurred per lot which must be paid before the account can be removed from the foreclosure list.

Lot owners who are into the second year of not paying their assessment will have PAST DUE stamped on their assessment bill.

Previously it was not until the fourth year or beyond that the overdue assessment accounts

were forwarded to legal counsel to begin foreclosure proceedings.



### *Signing Folks In*

*TGIA Board V.P. and Treasurer Judi Magnussen and TGIA Assistant Administrator Janie Earhman sign people in at the July 28 annual meeting.*

# A Brief History of the Wilderness

The following is a synopsis of a History of the TGIA's Wilderness Land which was handed out at the annual meeting.

For many years the Tierra Grande Improvement Association has been very protective of those parcels which encompass portions of the Manzano Mountains adjoining the Cibola National Forest in Valencia, Socorro and Torrance Counties in New Mexico.

The mountain terrain parcel contains 14,534 acres of pristine forest and high desert lands, along with an additional 3,000 acres and arroyo areas within the Abo Canyon, and its arroyo lands as they extend westerly to the Rio Grande, along with a volcanic deposit referred to as Black Butte.

Ownership of these unplatted areas was transferred to TGIA by Horizon Corporation in the 1970s with a specific clause that the lands only be used for "recreational purposes" with no further clarification of the term "recreational purposes."

As part of the transfer there was placed in the verbiage a reversionary clause which restricted the use of the land by TGIA. The clause said that if the land was not used as noted in the deed then the land would revert to the Grantor, Horizon Corporation or its successor.

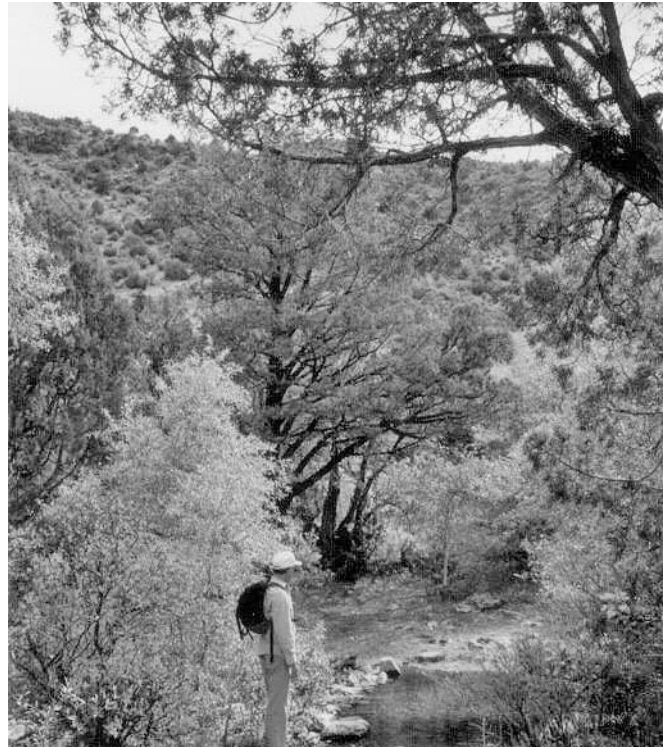
In the past when gravel or rock deposits were removed from the arroyo area, TGIA made sure Horizon Corporation was a party to the transaction and a participant on an equal basis if royalties were paid.

The Burlington Northern Santa Fe Railroad needed to expand from one to two tracks through Abo Canyon to facilitate the running of more than 100 trains a day.

In the summer and fall of 2006, parties to the canyon expansion offered a purchase price to TGIA above the value estimated by an outside independent appraisal and land analysis.

The funds for the right-of-way expansion purchase were then exchanged with the "Successor Grant" for full release of the reversionary clause.

TGIA then became the holder in fee simple interest of the open space unplatted land adjoining the Tierra Grande subdivision along with the Abo Ar-



*Hikers, like the one shown at the bottom about to enter the Manzano Mountains, can enjoy the Manzano Wilderness.*

royo and Black Butte designated open space area.

In addition, the TGIA board was successful in the short term leasing of portions of the open space areas to the BNSF for equipment storage and rock collection/storage facilities. Temporary use of these lands was exchanged for over nine miles of new road construction and the renovation of several existing road areas in Tierra Grande damaged by the uncommon heavy rains in 2006.

The TGIA Board believes the reservation of the multi-use parcel in the Manzano Mountains as a recreational outlet for Tierra Grande Association members is unparalleled in other southwestern developments and will provide additional value and utility to those property owners residing within New Mexico or provide additional value and marketability to those property owners whose purpose in ownership is profitability.

Further use and development of these lands will depend upon suggestions from the membership, funding for future uses of these recreational locations, and the membership perceived benefits in this ownership and its effect on individual developed and undeveloped sites within Tierra Grande.



*The elevation of the Manzano Mountains is 7,600 feet although in this shot with the desert and its cactus in the foreground, the mountains might not look that tall.*

# Annual Meeting . . . Continued from page 1

pointed out Mr. Koch, and work has begun to have a new Association in place by 2009 at the latest.

Michael Sumner, TGIA Board Member, introduced John Fredericks and Donna Butler who spoke about what might be done with the wilderness/open space area. (See information and a questionnaire on page 3.)

Following their presentation Mr. Koch pointed out that work with the wilderness area will be an ongoing project for several years.

## *New Mexico Land Company*

Jay Kentera of New Mexico Land Company was introduced. New Mexico Land Company now owns 25,000 acres within Tierra Grande.

Kentera said the company has applied for a Housing and Urban Development report. Once the report is issued, the company would start sales across the United States.

A national advertising campaign will be run to sell the land. Lots will start at \$12,500 per five acre lot. The majority of the land is south of Highway 60.

Kentera said sometime in the future a portion of the property might be replatted for higher density development. This probably will not happen for twenty years or more.

"We like this area. We think it's a great investment and we look forward to making it a nice community," said Kentera whose company is



*George Hobbes, right, TGIA accountant, talks to residents before the 2007 annual meeting.*

headquartered in Tempe, Arizona.

In response to questions, Kentera said

- The company has met with several builders who are interested in the area.
- He realizes it is important to not increase the amount of artificial light because one of the great attributes of Tierra Grande is the night sky.
- The Company will try to build adjacent to areas that already have infrastructure because that infrastructure is easier to extend rather than creating new infrastructure.

## *Socorro Co-op Provides Power*

George Koch explained that power for the Tierra Grande area is under franchise to the Public Service Company of New Mexico (PNM). PNM has assigned the franchise interest to the Socorro Electric Cooperative until such time as PNM wants the franchise back.

The extension of utility lines must be discussed with the people at the Socorro Electric Cooperative. TGIA has a history of extending power lines where people have an interest in building.

## *Road Information*

The Valencia County Commission has been discussing the decommissioning throughout Valencia County of roads which have not been used that much. An audience member inquired if the County Commission would be looking at the roads in Tierra Grande.

Mr. Koch pointed out that the majority of roads

*Continued on page 8*



*TGIA land owners Stan and Shirley Wood, backs to camera, talk to board members after the annual meeting. Board members facing the Woods are left to right, Tim Lardner, Carol Gasperetti and Michael Sumner. Shirley is a former TGIA Administrator.*

## Assessment/Tax Notices Sent Every Fall

TGIA assessments are sent to land owners in October every year with payments applied to the upcoming year. For instance, assessments sent in October, 2007 are for 2007 and are due by January 1.

The assessment sent in October is due by the first of the following year so property owners have at least two months to pay the amount due.

Interest on assessments starts accumulating at eight percent per annum beginning in January. Interest is run at the end of every month so the amount on the delinquent portion of your bill changes each month.

Property tax notices are generally sent in the beginning of November with payment due in December of the same year.

Assessments are sent to TGIA at PO Box 1388 Belen NM 87002. Property tax payments should be sent to the treasurer of the county where the property is located.

**IT'S HERE!  
TGIA'S NEW  
WEBSITE  
LOG ON AT  
WWW.TIERRAGRANDE.ORG  
GREAT NEW DESIGN!  
EASY TO USE!  
LOTS OF INFO  
INCLUDING  
COVENANTS AND  
INDENTURES.  
CAN'T FIND WHAT  
YOU'RE LOOKING ON  
THE WEBSITE?  
CALL THE TGIA  
OFFICE AT  
505 864-2345**

## Neighborhood Watch Meeting

**Saturday October 6, 2007 11:30 am  
Tierra Grande Fire Department Substation  
Bring a Dish for the Potluck**

## Annual Meeting

... Continued from page 7

in Tierra Grande lead somewhere, serve someone or have power lines into a place that can be used for general development.

Not all roads in Tierra Grande are accepted by Valencia County for general maintenance, added Mr. Koch.

### *Election Results and Ballot Design*

George Hobbes announced that Michael Sumner had been reelected to the TGIA Board of Directors for another five year term.

Administrator Sue Moran thanked everyone for accepting the new design of the TGIA Directors election ballot. (Note: the ballot was printed in the June newsletter rather than being a separate item.)

### *State Senator Introduced*

Mr. Koch thanked State Senator David Ulibarri for attending the meeting. Ulibarri was appointed to replace Joe Fidel earlier this year.

Several precincts in Valencia County are part of Ulibarri's district including Tierra Grande.



Food is served at the Tierra Grande July 28 annual meeting.



**Independent Auditors' Report**Phone 505.830/6200  
FAX 505.830.6282  
www.mossadams.com

Board of Directors  
Tierra Grande Improvement Association, Inc.  
Belen, New Mexico

We have audited the accompanying statements of financial position of Tierra Grande Improvement Association, Inc. (TGIA) (a non-profit organization) as of December 31, 2006, and 2005 the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of TGIA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tierra Grande Improvement Association, Inc. as of December 31, 2006, and 2005 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

Albuquerque, New Mexico

July 16, 2007

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## **SIGNIFICANT ACCOUNTING POLICIES FOR INDEPENDENT AUDITORS' REPORT FOR TGIA**

### **NOTE: Financial Report Starts on page 10**

#### ***General***

Tierra Grande Improvement Association, Inc. (TGIA) is a New Mexico not-for-profit corporation organized for the purpose of promoting and developing the common good and social welfare of the community near Belen, New Mexico, called Tierra Grande. TGIA is exempt from federal taxation under Section 501(c)(4) of the Internal Revenue Code.

#### ***Cash and Cash Equivalents***

For purposes of reporting the statements of cash flows, TGIA considers all cash accounts, which are not subject to

withdrawal restrictions or penalties, and all certificate of deposits with a maturity of six months or less to be cash equivalents.

#### ***Assessments Receivable***

Assessments receivable represent the amount billed but uncollected for annual assessment fees. Assessment receivables are carried at original assessment fee amount less an estimate made for doubtful receivables.

An assessment receivable is considered to be past due

*Continued on page 11*

# Tierra Grande Improvement Association, Inc.

## Statements of Financial Positions

### December 31, 2006 and 2005

#### ASSETS

	2006	2005
<u>Current Assets</u>		
Cash and cash equivalents	\$ 141,641	\$ 143,877
Certificates of deposit	-	115,831
Assets held in trust	11,056	15,816
Assessments receivable and accrued interest on delinquent assessments, less allowance of \$7,500	95,142	102,954
Deferred charges related to foreclosed property	13,416	13,416
Prepaid assets	11,008	22,094
<b>Total current assets</b>	<b>272,263</b>	<b>413,988</b>
<u>Property and Equipment</u>		
Land held for investment	11,797	11,797
Land for community purposes	281,893	1
Property, equipment and leasehold improvements, less accumulated depreciation of \$376,149 in 2006 and \$333,324 in 2005	479,708	252,280
<b>Total property and equipment</b>	<b>773,398</b>	<b>264,078</b>
<u>Other Assets</u>		
	300	300
<b>Total Assets</b>	<b>\$ 1,045,961</b>	<b>678,366</b>

#### LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable and accrued expenses	\$ 5,848	\$ 5,600
Foreclosed property sale liabilities	11,056	15,816
<b>Total current liabilities</b>	<b>16,904</b>	<b>21,416</b>
<u>Unrestricted net assets</u>	<b>\$ 1,029,057</b>	<b>656,950</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,045,961</b>	<b>678,366</b>

	2006	2005
<u>Revenues</u>		
Annual assessments	\$ 127,049	\$ 131,158
Railroad income	441,117	-
Interest and other income	3,120	11,076
	<b>571,286</b>	<b>142,234</b>

<u>Expenses</u>		
Advertising	-	26
Depreciation and amortization	50,419	33,679
Insurance	22,205	20,514
Legal and professional	22,409	13,792
Office	15,249	11,550
Other operating and administrative expenses	27,464	19,814
Payroll and property taxes	6,539	6,093
Road maintenance	9,242	922
Salaries and directors' fees	45,652	40,548
	<b>199,179</b>	<b>146,938</b>

<b>Change in net assets</b>	<b>372,107</b>	<b>(4,704)</b>
Unrestricted net assets, beginning of year	<b>656,950</b>	<b>661,654</b>
<b>Unrestricted net assets, end of year</b>	<b>1,029,057</b>	<b>656,950</b>

<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 372,107	\$(4,704)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Railroad income exchange	(441,117)	-
Foreclosed property sale liabilities	(4,760)	(17,792)
Assets held in trust	4,760	17,792
Depreciation and amortization	50,419	33,679
Loss on disposal of fixed assets	8,282	-
Changes in assets and liabilities		
Assessments receivable and accrued interest on delinquent assessments	7,812	15,173
Prepaid assets	11,086	(3,970)
Accounts payable and accrued expenses	248	19,667
<b>Net cash provided by operating activities</b>	<b>8,837</b>	<b>20,511</b>

**TGIA Statements of Financial Positions  
December 31, 2006 and 2005  
Continued from Page 10**

	2006	2005
<u>Cash Flows from Investing Activities</u>		
Sale of certificates of deposit	\$ 115,831	\$ -
Purchase of power lines and equipment	(126,904)	-
Net cash used by investing activities	<u>(11,073)</u>	<u>-</u>
 <b>Net (decrease )increase in cash</b>	 <b>(2,236)</b>	 <b>20,511</b>
	<u>\$143,877</u>	<u>\$123,366</u>
Cash at beginning of year		
Cash at end of year	<u>141,641</u>	<u>143,877</u>
 Non cash investing and financing transaction		
Railroad Exchange	\$ 281,892	-
Land Easement	\$ 159,225	-

**SIGNIFICANT ACCOUNTING POLICIES FOR  
INDEPENDENT AUDITORS' REPORT FOR TGIA  
Continued from Page 9**

if not paid by January 1. Management determines the allowance for doubtful accounts of unpaid assessments using historical trends of collection of unpaid assessments and amounts recouped from foreclosure sales.

***Annual Assessment Revenue***

TGIA is financed primarily through annual fees assessed landowners in Tierra Grande. Landowners live in various parts of the country. The assessments are recognized as income at the time they are levied.

The annual assessments are levied on October 1 of each year and are due on or before January 1 of the following year. If the assessments are not paid by January 1, they become delinquent, and TGIA adds an additional interest charge of 8% per annum to the assessment. Interest is recognized as it is earned. If the assessments are not paid within three years, TGIA may place a lien on the lots against which the assessments were levied.

<u>Lot Size</u>	<u>Annual Assessment</u>
5 but less than 10 acres	\$30
10 but less than 20 acres	45
20 but less than 40 acres	60
40 acres and over	75
Lots with commercial or multi-purpose use are charged	

the same annual assessment as single-family lots until a building is placed upon the lot(s). At that time, the assessment is \$.0025 per square foot of the building.

***Property and Equipment***

TGIA's policy is to capitalize disbursements for property and equipment in excess of \$1,000. Items with a cost of less than \$1,000 are expensed in the year of acquisition. Property and equipment are recorded at cost. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

***Use of Estimates***

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

***Sale of Foreclosed Property***

In recent years, TGIA has foreclosed on lots for non-payment of past assessments. Most of the lots have been sold to the public in annual auctions. At December 31, 2006 and 2005, there was \$13,416 of legal, title, and property tax costs that were expected to be recaptured, in addition to the unpaid assessments, upon the sale of the foreclosed lots.

***Road Maintenance***

While major improvements and betterments such as phone lines, fencing, and the fire station are capitalized as property and equipment, smaller improvements and maintenance costs are expensed. Minor improvements, road maintenance, and surveys totaling \$9,242 and \$922 in 2006 and 2005, respectively, were expensed.

***Land Exchange***

In 2006 TGIA entered into a agreements with the Burlington Northern Santa Fe Railroad for title to 187.928 acres of land for community use for \$281,892 and to exchange 106.15 acres of a temporary land easement in exchange for 20,000 tons of crushed limestone rock in the amount of \$159,225.

## ***DSL, Cluster Mail Boxes Requested in Tierra Grande***

Two petitions are awaiting signatures in the Tierra Grande office.

One petition asks the United State Postal Service to install cluster mail boxes in southeastern Tierra Grande. Cluster mail boxes are boxes built in a location and assigned to a group of houses.

The second petition is for DSL in Tierra Grande. This petition is addressed to Qwest, the provider of phone and the current dial-up internet service.

**DVD of Tierra Grande  
In This Newsletter**

## **TGIA Board**

**President — George Koch**

Valencia County Realtor™/Appraiser

Term expires 2008

**Executive V.P. & Treasurer**

**Judi Magnussen**

Tierra Grande resident

Term expires 2009

**Secretary — Michael Sumner**

Valencia County banker

Term expires 2012

**Carol Gasperetti**

Tierra Grande resident

Term expires 2011

**Tim Lardner**

Rio Communities Resident/Business Owner

Term expires 2010

## **TGIA Staff**

*Administrator — Sue Moran*

*Assistant Administrator — Janie Earthman*

*Newsletter Editor — Sandy Schauer*

**ANNUAL MEETING  
FINANCIAL AUDIT  
WILDERNESS SURVEY  
TIERRA GRANDE DVD**

**Tierra Grande  
Improvement Association  
PO Box 1388  
Belén, New Mexico 87002**

PRSR STD  
U.S. POSTAGE PAID  
TOME NM 87060  
PERMIT NO. 05