

**VILLAGE OF ANGEL FIRE,  
NEW MEXICO**

**Financial Statements  
for the Year Ended  
June 30, 2008,  
and Independent  
Auditors' Report**



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VILLAGE OF ANGEL FIRE, NEW MEXICO

Official Roster

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Year Ended June 30, 2008

Mayor

Larry Leahy

Mayor Pro-Tem

Chuck Howe

Council

Deborah May  
Stuart Hamilton  
Al Lott

Village Administrator

Melissa Vossmer

Finance Director

Sean McCabe

Village Clerk

Lisa Sanchez

## INDEPENDENT AUDITORS' REPORT

Mr. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

We have audited the accompanying basic financial statements consisting of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund of the Village of Angel Fire, New Mexico (the 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 non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements, the fiduciary fund and the budgetary comparison for the major capital project and debt service fund and the remaining non-major budgetary comparisons 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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



Mr. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

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 financial position for the non-major governmental funds and fiduciary funds of the Village as of June 30, 2008 and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital and debt service fund and the non-major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2010, 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis presented on pages 5 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of the Village. The additional schedules listed as other supplementary schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements, including the Schedule of Changes in Assets and Liabilities for Agency Funds. 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.

Mr. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

*Mayners + Company, LLC*

December 31, 2010



## VILLAGE OF ANGEL FIRE, NEW MEXICO

### Management's Discussion and Analysis Year Ended June 30, 2008

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As management of the Village of Angel Fire (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ending June 30, 2008.

#### **Financial Highlights**

In fiscal year 2008 the Village experienced steady tourism and operations. This resulted in steady gross receipts taxes realized for the year. Conversely, the Village spent more money for professional engineering/design, lobbying and attorney fees to support capital projects that are ongoing. The Village has been able to continue with various capital projects during 2008 that are designed to bring higher revenues to the Village and enhance its image as a tourist destination. These projects include the development of the Special Assessment District, infrastructure for the Public Improvement District, work on Plaza Del Sol and capital additions and improvements of the Village Utility facilities. The Village finds itself in the unique position of maintaining roads and utility facilities for a population of ten to fifteen thousand people even though the full time residency is one to two thousand. This is to make sure the capacity is available for the tourist season when the Village population is at ten to fifteen thousand.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, we present supplementary information including budget to actual statements for all funds.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

## VILLAGE OF ANGEL FIRE, NEW MEXICO

### Management's Discussion and Analysis - continued Year Ended June 30, 2008

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#### Overview of the Financial Statements - continued

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into one of three categories: governmental funds, proprietary funds and fiduciary funds.

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the current fiscal period. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to the General fund, the Village maintains twenty-eight other individual governmental funds, of which nineteen are classified as Special Revenue funds, two are classified as Debt Service funds, and seven are classified as Capital Projects funds. Information for the General fund, the Revenue Bonds fund and HWY 434 fund, all of which are considered to be major funds, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for its General fund. A budgetary comparison statement for the General fund is presented on page 21. In addition, the Village adopts an annual budget for other non-major funds. A budgetary comparison statement is presented in the aggregate and individually for all of those funds.

## VILLAGE OF ANGEL FIRE, NEW MEXICO

### Management's Discussion and Analysis - continued Year Ended June 30, 2008

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#### Overview of the Financial Statements - continued

#### **Fund Financial Statements - continued**

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

##### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village's primary government, assets exceed liabilities by \$10.98 million. The net asset category, invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt, is at a positive \$10.47 million. This is a result of significant Village investment in road infrastructure and utilities facilities. The Village uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Management's Discussion and Analysis - continued  
Year Ended June 30, 2008

Financial Analysis of the Village as a Whole

Net Assets

Table A-1 summarizes the Village's net assets for the fiscal years ended June 30, 2008 and 2007.

**Table A-1**  
**The Village's Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
<b>Assets:</b>						
Current and other assets	\$ 163,257	(56,897)	1,740,159	2,080,955	1,903,416	2,024,058
Capital assets, net	<u>12,349,901</u>	<u>12,001,096</u>	<u>13,045,539</u>	<u>13,650,294</u>	<u>25,395,440</u>	<u>25,651,390</u>
<b>Total assets</b>	<b>12,513,158</b>	<b>11,944,199</b>	<b>14,785,698</b>	<b>15,731,249</b>	<b>27,298,856</b>	<b>27,675,448</b>
<b>Liabilities:</b>						
Current liabilities	1,128,881	960,918	869,358	527,433	1,998,239	1,488,351
Long-term liabilities	<u>6,840,814</u>	<u>2,436,089</u>	<u>7,475,100</u>	<u>7,629,772</u>	<u>14,315,914</u>	<u>10,065,861</u>
<b>Total liabilities</b>	<b>7,969,695</b>	<b>3,397,007</b>	<b>8,344,458</b>	<b>8,157,205</b>	<b>16,314,153</b>	<b>11,554,212</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	5,121,200	9,098,847	5,350,090	5,844,408	10,471,290	14,943,255
Restricted	(824,307)	(708,799)	15,781	300,000	(808,526)	(408,799)
Unrestricted	<u>246,570</u>	<u>157,144</u>	<u>1,075,369</u>	<u>1,429,636</u>	<u>1,321,939</u>	<u>1,586,780</u>
<b>Total net assets</b>	<b><u>4,543,463</u></b>	<b><u>8,547,192</u></b>	<b><u>6,441,240</u></b>	<b><u>7,574,044</u></b>	<b><u>10,984,703</u></b>	<b><u>16,121,236</u></b>
<b>Total liabilities and net assets</b>	\$ <b><u>12,513,158</u></b>	<b><u>11,944,199</u></b>	<b><u>14,785,698</u></b>	<b><u>15,731,249</u></b>	<b><u>27,298,856</u></b>	<b><u>27,675,448</u></b>

The significant change in current liabilities for fiscal year 2008 as compared to fiscal year 2007 was an increase to accounts payable and an increase to the amount of debt due within one year due to the new SAD 434 debt. The effect of the new SAD 434 debt can also be seen with the increase in long term liabilities and the decrease in Net Assets Invested in Capital Assets net of related debt.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Management's Discussion and Analysis - continued  
Year Ended June 30, 2008

Financial Analysis of the Village as a Whole - continued

**Changes in Net Assets**

Table A-2 summarizes the Village's changes in net assets for fiscal years ended June 30, 2008 and 2007. Governmental activities during fiscal year 2008 decreased the Village's net assets by approximately \$4 million.

**Table A-2**  
**Changes in the Village's Net Assets**

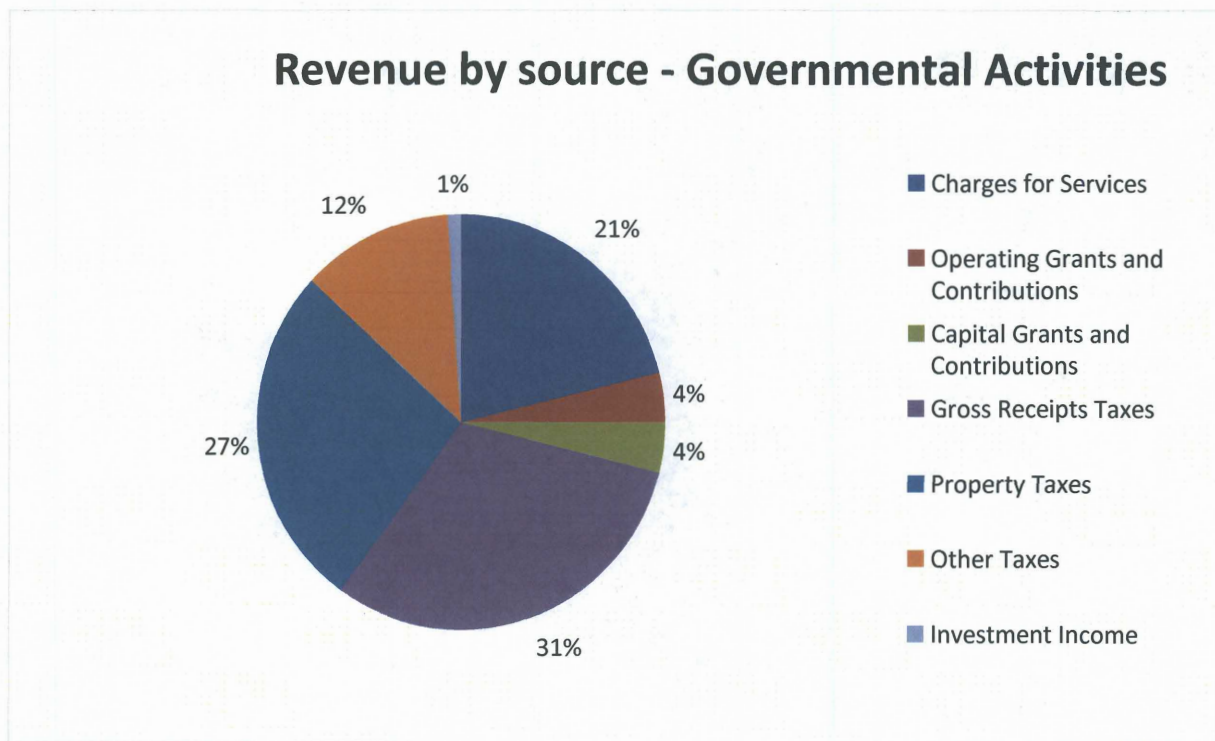
	Governmental Activities		Business-Type Activities		Total	
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,108,914	643,743	1,902,001	2,322,338	3,010,915	2,966,081
Operating grants and contributions	242,468	227,531	-	-	242,468	227,531
Capital grants and contributions	220,527	324,388	-	-	220,527	324,388
<b>General revenues:</b>						
Gross receipts taxes	1,687,286	2,165,666	127,078	49,683	1,814,364	2,215,349
Property taxes	1,469,315	909,783	-	-	1,469,315	909,783
Other taxes	648,425	716,121	-	-	648,425	716,121
Investment income	28,126	39,767	1,560	-	29,686	39,767
<b>Total revenues</b>	<b>5,405,061</b>	<b>5,026,999</b>	<b>2,030,639</b>	<b>2,372,021</b>	<b>7,435,700</b>	<b>7,399,020</b>
<b>Operating transfers, net</b>	<b>299,900</b>	<b>-</b>	<b>(299,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>						
General government	8,486,056	4,393,918	-	-	8,486,056	4,393,918
Public safety	547,502	642,734	-	-	547,502	642,734
Highways and streets	151,190	417,627	-	-	151,190	417,627
Culture and recreation	109,496	45,710	-	-	109,496	45,710
Public transportation	272,102	273,911	-	-	272,102	273,911
Economic and physical development	2,640	5,067	-	-	2,640	5,067
Interest on long-term debt	139,704	183,692	-	-	139,704	183,692
Wastewater	-	-	927,307	601,041	927,307	601,041
Solid waste	-	-	866,770	686,669	866,770	686,669
Water	-	-	1,069,466	890,227	1,069,466	890,227
<b>Total expenses</b>	<b>9,708,690</b>	<b>5,962,659</b>	<b>2,863,543</b>	<b>2,177,937</b>	<b>12,572,233</b>	<b>8,140,596</b>
<b>Increase in net assets</b>	<b>\$ (4,003,729)</b>	<b>(935,660)</b>	<b>(1,132,804)</b>	<b>194,084</b>	<b>(5,136,533)</b>	<b>(741,576)</b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

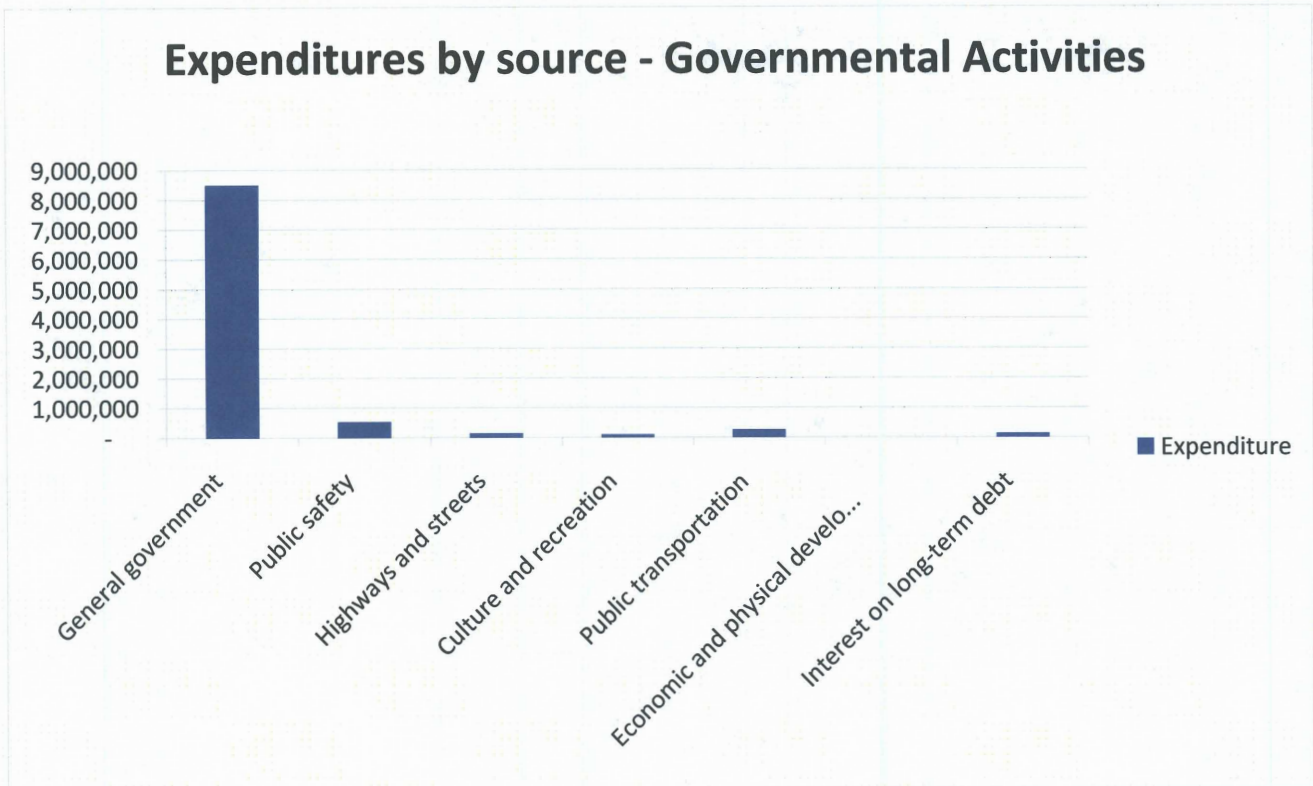
Management's Discussion and Analysis - continued  
Year Ended June 30, 2008

Financial Analysis of the Village as a Whole – continued

The Village's revenues increased negligibly from the previous fiscal year. Operations and tourism was steady in 2008. Total expenditures rose dramatically as the Village had higher lobbying and engineer/design costs. The Village also incurred higher attorney fees related to the Public Improvement District. Costs for Plaza del Sol and the SAD 434 project are also reflected in the general increase in expenditures.



Financial Analysis of the Village as a Whole – continued



**Governmental Funds**

The focus of the Village's governmental fund is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balances may serve as useful measurer's of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$4.5 million. Approximately 5.42% of this total constitutes unreserved general fund balances, which is available for spending at the Village's discretion. The remainder of the fund balance is reserved for debt service or is classified as unreserved but must be used on the specific items as determined by the source.



## VILLAGE OF ANGEL FIRE, NEW MEXICO

### Management's Discussion and Analysis - continued Year Ended June 30, 2008

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#### **Financial Analysis of the Village as a Whole – continued**

As mentioned earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the General Fund Budget, total revenues budgeted were \$3,398,203 and actual revenues received were \$4,401,602, which is a positive variance of \$1,003,399. This variance is mainly attributed to the increase of Other Revenues. The Village typically receives 95% of the current year taxed during the fiscal year with the remaining amount collected in subsequent years.

The General Fund Budgeted Expenditures had a positive variance of \$209,974. The variance is attributable to higher monitoring of general fund expenditures. Throughout the year, management reduced spending as deemed necessary to stay in line with changing GRT receipts throughout the year. The Village is highly dependent on tourism for revenue generation particularly during ski season. When snow isn't good enough to draw tourists, GRT suffers but the Village responds quickly.

#### **Capital Assets**

For fiscal year 2008, there were approximately \$1.057 million in capital additions. These additions were mostly attributed to construction projects authorized by the Village. These included preparatory work on the Special Assessment District. In addition, various trail, road/infrastructure improvements and vehicle purchases for fire and police departments and public works were made.

#### **Debt**

At year-end, the Village had approximately \$14 million in bonds and notes outstanding for governmental activities. This represents a significant increase from the prior year as the Village borrowed approximately \$4.6 million to begin work on the Special Assessment District 434 (SAD 434) project. There were new leases during 2008. These were for new pieces of equipment in various departments.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Supervisor located at Finance Office, 3388 Mountain View Blvd., Angel Fire, New Mexico 87710.



## **FINANCIAL STATEMENTS**

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Net Assets

AS OF JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 704,335	474,792	1,179,127
Receivables:			
Taxes:			
Property	24,755	5,387	30,142
Gross receipts	303,332	-	303,332
Lodgers	18,619	-	18,619
Gas	1,156	-	1,156
Intergovernmental	99,000	-	99,000
Accounts receivable, net of allowance	-	247,952	247,952
Restricted cash	-	15,781	15,781
Due (to) from other funds	(987,940)	996,247	8,307
Capital assets, net of accumulated depreciation	<u>16,244,128</u>	<u>13,045,539</u>	<u>29,289,667</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>16,407,385</u></b>	<b><u>14,785,698</u></b>	<b><u>31,193,083</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 471,367	380,941	852,308
Accrued compensation and benefits	74,974	14,949	89,923
Gross receipts tax payable	-	38,018	38,018
Interest payable	-	150,216	150,216
Deposits payable	155,941	-	155,941
Other liabilities	6,275	47,241	53,516
Compensated absences, due in one year	22,284	17,644	39,928
Long-term liabilities, due in one year	398,040	220,349	618,389
Noncurrent liabilities:			
Compensated absences, due in more than one year	10,153	-	10,153
Long-term liabilities, due in more than one year	<u>6,830,661</u>	<u>7,475,100</u>	<u>14,305,761</u>
<b>TOTAL LIABILITIES</b>	<b>7,969,695</b>	<b>8,344,458</b>	<b>16,314,153</b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	9,015,427	5,350,090	14,365,517
Restricted for:			
Debt service	(824,307)	-	(824,307)
Grant expenditures	-	15,781	15,781
Unrestricted	<u>246,570</u>	<u>1,075,369</u>	<u>1,321,939</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>8,437,690</u></b>	<b><u>6,441,240</u></b>	<b><u>14,878,930</u></b>

YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
<b>PRIMARY GOVERNMENT:</b>		
<b>GOVERNMENTAL ACTIVITIES:</b>		
General government	\$ 4,591,829	978,395
Public safety	547,502	63,652
Highways and streets	151,190	17,520
Culture and recreation	109,496	17,743
Public transportation	272,102	31,604
Economic and physical development	2,640	-
Interest on long-term debt	<u>139,704</u>	<u>-</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>5,814,463</b>	<b>1,108,914</b>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Waste water	927,307	384,985
Solid waste	866,770	547,487
Water	<u>1,069,466</u>	<u>969,529</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>2,863,543</u></b>	<b><u>1,902,001</u></b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ <u>8,678,006</u></b>	<b><u>3,010,915</u></b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Activities

Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
237,718	103,352	(3,272,364)	-	(3,272,364)
-	117,175	(366,675)	-	(366,675)
-	-	(133,670)	-	(133,670)
4,750	-	(87,003)	-	(87,003)
-	-	(240,498)	-	(240,498)
-	-	(2,640)	-	(2,640)
-	-	(139,704)	-	(139,704)
242,468	220,527	(4,242,554)	-	(4,242,554)
-	-	-	(542,322)	(542,322)
-	-	-	(319,283)	(319,283)
-	-	-	(99,937)	(99,937)
-	-	-	(961,542)	(961,542)
242,468	220,527	(4,242,554)	(961,542)	(5,204,096)
General revenues:				
Taxes:				
		138,783	-	138,783
		27,476	-	27,476
		1,687,286	127,078	1,814,364
		1,469,315	-	1,469,315
		440,749	-	440,749
		5,401	-	5,401
		36,016	-	36,016
		28,126	1,560	29,686
		3,833,152	128,638	3,961,790
		980,886	-	980,886
		(680,986)	(299,900)	(980,886)
		(109,502)	(1,132,804)	(1,242,306)
		8,547,192	7,574,044	16,121,236
		\$ 8,437,690	6,441,240	14,878,930

VILLAGE OF ANGEL FIRE, NEW MEXICO

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2008

	Major			Non-major Governmental Funds	Total Governmental Funds
	General	HWY 434	Revenue Bonds		
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 144,770	214,324	-	345,241	704,335
Receivables:					
Taxes:					
Property	-	-	-	24,755	24,755
Gross receipts	281,748	-	-	21,584	303,332
Lodgers	-	-	-	18,619	18,619
Gas	-	-	-	1,156	1,156
Intergovernmental	99,000	-	-	-	99,000
Due from other funds	<u>461,078</u>	<u>-</u>	<u>-</u>	<u>1,344,001</u>	<u>1,805,079</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>986,596</u></b>	<b><u>214,324</u></b>	<b><u>-</u></b>	<b><u>1,755,356</u></b>	<b><u>2,956,276</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 97,021	-	-	374,346	471,367
Accrued compensation and benefits	74,974	-	-	-	74,974
Deposits payable	155,941	-	-	-	155,941
Other liabilities	-	-	-	6,275	6,275
Due to other funds	<u>454,071</u>	<u>-</u>	<u>806,579</u>	<u>1,532,369</u>	<u>2,793,019</u>
<b>TOTAL LIABILITIES</b>	<b>782,007</b>	<b>-</b>	<b>806,579</b>	<b>1,912,990</b>	<b>3,501,576</b>
<b>FUND BALANCES:</b>					
Reserved for debt services	-	-	(806,579)	(17,728)	(824,307)
Unreserved, undesignated reported in:					
General fund	204,589	214,324	-	-	418,913
Special revenue funds	-	-	-	(46,517)	(46,517)
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,389)</u>	<u>(93,389)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>204,589</u></b>	<b><u>214,324</u></b>	<b><u>(806,579)</u></b>	<b><u>(157,634)</u></b>	<b><u>(545,300)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>986,596</u></b>	<b><u>214,324</u></b>	<b><u>-</u></b>	<b><u>1,755,356</u></b>	<b><u>2,956,276</u></b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Assets

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YEAR ENDED JUNE 30, 2008

**Total Fund Balance - Governmental Funds**  
**(Governmental Funds Balance Sheet)**

\$ (545,300)

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

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

The cost of capital assets is: 21,473,237  
Accumulated depreciation is: (5,229,109)

Total capital assets 16,244,128

Long-term liabilities, including capital leases payable,  
are not due and payable in the current period and, therefore,  
are not reported as liabilities in the governmental funds.

Long-term and other liabilities at year end consist of:

Debt (bonds, notes and capital leases) (7,228,701)  
Compensated absences payable (32,437)

Total long-term and other liabilities (7,261,138)

**Net assets of governmental activities (Statement of Net Assets)** \$ 8,437,690

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2008

	Major			Non-major Governmental Funds	Total Governmental Funds
	General	HWY 434	Revenue Bonds		
<b>REVENUES:</b>					
Taxes	\$ 2,710,331	230,900	-	863,796	3,805,027
Licenses, permits, fees and fines	142,790	-	-	105,520	248,310
Interest	26,601	-	-	1,525	28,126
State Grant	132,613	-	-	330,382	462,995
Other	450,605	-	-	409,999	860,604
<b>TOTAL REVENUES</b>	<b>3,462,940</b>	<b>230,900</b>	<b>-</b>	<b>1,711,222</b>	<b>5,405,062</b>
<b>EXPENDITURES:</b>					
Current:					
General government	3,701,488	-	8,999	293,560	4,004,047
Public Safety	440,603	-	-	72,337	512,940
Highways and streets	-	-	-	141,569	141,569
Culture and recreation	-	-	-	102,528	102,528
Public transportation	-	-	-	254,785	254,785
Economic and physical development	2,472	-	-	-	2,472
Debt Service:					
Principal	88,105	-	51,238	94,287	233,630
Interest and other charges	18,439	-	55,271	65,994	139,704
Capital outlay	322,766	3,894,227	-	734,573	4,951,566
<b>TOTAL EXPENDITURES</b>	<b>4,573,873</b>	<b>3,894,227</b>	<b>115,508</b>	<b>1,759,633</b>	<b>10,343,241</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,110,933)</b>	<b>(3,663,327)</b>	<b>(115,508)</b>	<b>(48,411)</b>	<b>(4,938,179)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from the issuance of debt	99,000	4,509,246	-	-	4,608,246
Operating transfers in	980,886	-	-	-	980,886
Operating transfers out	-	(680,986)	-	-	(680,986)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,079,886</b>	<b>3,828,260</b>	<b>-</b>	<b>-</b>	<b>4,908,146</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(31,047)</b>	<b>164,933</b>	<b>(115,508)</b>	<b>(48,411)</b>	<b>(30,033)</b>
<b>BEGINNING FUND BALANCES</b>	<b>235,636</b>	<b>49,391</b>	<b>(691,071)</b>	<b>(109,223)</b>	<b>(515,267)</b>
<b>ENDING FUND BALANCES</b>	<b>\$ 204,589</b>	<b>214,324</b>	<b>(806,579)</b>	<b>(157,634)</b>	<b>(545,300)</b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**

**Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities**

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**YEAR ENDED JUNE 30, 2008**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ (30,033)

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

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

Depreciation expense	(605,586)
Capital outlay	4,951,566
Adjustment to Capital Assets (Note 4)	<u>(102,948)</u>

Excess of capital outlay over depreciation expense	4,243,032
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The issuance of long-term debt (e.g., capital leases) provides current financial resources to governmental funds, but has no effect on net assets.	(4,608,246)
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	233,630
Capital lease amount removed from capital asset listing and debt (Note 5)	<u>48,164</u>

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method.	281,794
	<u>3,951</u>

Change in net assets of governmental activities (Statement of Activities)	\$ <u><u>(109,502)</u></u>
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VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Governmental Funds - Budget and Actual  
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 3,061,433	3,061,433	2,910,797	(150,636)
Licenses, permits, fees & fines	157,669	157,669	142,790	(14,879)
Interest	29,175	29,175	67,349	38,174
Grant	-	-	28,662	28,662
Other	149,926	149,926	1,252,004	1,102,078
<b>TOTAL REVENUES</b>	<b>3,398,203</b>	<b>3,398,203</b>	<b>4,401,602</b>	<b>1,003,399</b>
<b>EXPENDITURES</b>				
General government	1,742,531	1,789,419	3,743,323	(1,953,904)
Public safety	942,857	1,023,836	464,817	559,019
Highways and streets	658,332	1,394,962	-	1,394,962
Culture and recreation	539,177	532,519	-	532,519
Economic and physical development	-	-	2,472	(2,472)
Capital outlay	278,000	-	320,150	(320,150)
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,160,897</b>	<b>4,740,736</b>	<b>4,530,762</b>	<b>209,974</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	894,295	894,295
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>894,295</b>	<b>894,295</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(762,694)</b>	<b>(1,342,533)</b>	<b>765,135</b>	<b>2,107,668</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>235,636</b>	<b>235,636</b>	<b>235,636</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ (527,058)</b>	<b>(1,106,897)</b>	<b>1,000,771</b>	<b>2,107,668</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 762,694</b>	<b>1,342,533</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 765,135</b>	
<b>CHANGE IN:</b>				
Accounts receivable			103,845	
Accounts payable			(900,027)	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (31,047)</b>	

Balance Sheet - Proprietary Funds

AS OF JUNE 30, 2008

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ -	474,792	-	474,792
Restricted cash and investments	15,781	-	-	15,781
Receivables:				
Accounts receivable, net of allowance	-	75,058	172,894	247,952
Property tax	-	5,387	-	5,387
Due from other funds	-	-	1,236,824	1,236,824
<b>Total current assets</b>	<b>15,781</b>	<b>555,237</b>	<b>1,409,718</b>	<b>1,980,736</b>
Capital assets:				
Land and water rights	376,475	49,856	4,684,000	5,110,331
Plant and equipment	9,430,865	1,508,951	8,087,637	19,027,453
Vehicles	5,593	280,280	145,107	430,980
Less accumulated depreciation	(4,558,432)	(607,209)	(6,357,584)	(11,523,225)
<b>Total capital assets, net of accumulated depreciation</b>	<b>5,254,501</b>	<b>1,231,878</b>	<b>6,559,160</b>	<b>13,045,539</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,270,282</b>	<b>1,787,115</b>	<b>7,968,878</b>	<b>15,026,275</b>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	\$ 38,816	163,604	178,521	380,941
Accrued compensation and benefits	3,934	5,139	5,876	14,949
Gross receipts tax payable	9,568	8,404	20,046	38,018
Other liabilities	2,466	2,976	41,799	47,241
Interest payable	96,685	6,696	46,835	150,216
Compensated absences	6,087	6,246	5,311	17,644
Due to other funds	110,379	76,308	53,890	240,577
Capital leases payable - current	-	-	-	-
Loans payable - current	-	-	-	-
Bonds payable - current	-	-	-	-
<b>Total current liabilities</b>	<b>267,935</b>	<b>269,373</b>	<b>352,278</b>	<b>889,586</b>
Non-current liabilities:				
Capital leases payable	23,764	111,148	56,987	191,899
Loans payable	-	970,767	108,783	1,079,550
Bonds payable	5,424,000	-	1,000,000	6,424,000
<b>Total non-current liabilities</b>	<b>5,447,764</b>	<b>1,081,915</b>	<b>1,165,770</b>	<b>7,695,449</b>
<b>TOTAL LIABILITIES</b>	<b>5,715,699</b>	<b>1,351,288</b>	<b>1,518,048</b>	<b>8,585,035</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	(193,263)	149,963	5,393,390	5,350,090
Restricted for:				
Debt service	-	-	-	-
Grant expenditures	15,781	-	-	15,781
Customer deposits	-	-	-	-
Unrestricted	(267,935)	285,864	1,057,440	1,075,369
<b>TOTAL NET ASSETS</b>	<b>(445,417)</b>	<b>435,827</b>	<b>6,450,830</b>	<b>6,441,240</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,270,282</b>	<b>1,787,115</b>	<b>7,968,878</b>	<b>15,026,275</b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues, Expenses and Changes  
in Fund Net Assets - Proprietary Funds

YEAR ENDED JUNE 30, 2008

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
<b>OPERATING REVENUES:</b>				
Sales and services	\$ 384,985	547,487	969,529	1,902,001
Operating expenses:				
Operating expenses	363,106	699,850	712,803	1,775,759
Depreciation	<u>301,821</u>	<u>122,239</u>	<u>280,846</u>	<u>704,906</u>
Total operating expenses	<u>664,927</u>	<u>822,089</u>	<u>993,649</u>	<u>2,480,665</u>
<b>OPERATING LOSS</b>	(279,942)	(274,602)	(24,120)	(578,664)
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Gross receipts tax	-	127,078	-	127,078
Interest expense	(262,380)	(44,681)	(74,257)	(381,318)
Operating transfers out	<u>-</u>	<u>-</u>	<u>(299,900)</u>	<u>(299,900)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(262,380)</u>	<u>82,397</u>	<u>(374,157)</u>	<u>(554,140)</u>
<b>NET LOSS</b>	(542,322)	(192,205)	(398,277)	(1,132,804)
<b>BEGINNING NET ASSETS</b>	<u>96,905</u>	<u>628,032</u>	<u>6,849,107</u>	<u>7,574,044</u>
<b>ENDING NET ASSETS</b>	\$ <u><u>(445,417)</u></u>	<u><u>435,827</u></u>	<u><u>6,450,830</u></u>	<u><u>6,441,240</u></u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Cash Flows - Proprietary Funds

YEAR ENDED JUNE 30, 2008

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 441,694	587,290	857,178	1,886,162
Cash payments to vendors and employees	(338,583)	(551,798)	(584,378)	(1,474,759)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>103,111</b>	<b>35,492</b>	<b>272,800</b>	<b>411,403</b>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Gross receipts tax revenue	-	127,078	-	127,078
Due to/due from	-	20,584	53,890	74,474
Transfer Out	-	-	(299,900)	(299,900)
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>147,662</b>	<b>(246,010)</b>	<b>(98,348)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	-	-	-	-
Bond Proceeds	-	-	-	-
Principal payment on bonds	(3,146)	(63,719)	(9,240)	(76,105)
Principal payment on loans	-	-	-	-
Principal payment on capital leases	(76,000)	(34,741)	(23,742)	(134,483)
Interest payment on bonds, loans and leases	(262,380)	(44,681)	(74,257)	(381,318)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(341,526)</b>	<b>(143,141)</b>	<b>(107,239)</b>	<b>(591,906)</b>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(238,415)</b>	<b>40,013</b>	<b>(80,449)</b>	<b>(278,851)</b>
<b>BEGINNING CASH</b>	<b>254,196</b>	<b>434,779</b>	<b>80,449</b>	<b>769,424</b>
<b>ENDING CASH</b>	<b>\$ 15,781</b>	<b>474,792</b>	<b>-</b>	<b>490,573</b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Cash Flows - Proprietary Funds - continued

YEAR ENDED JUNE 30, 2008

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
OPERATING LOSS	\$ (279,942)	(274,602)	(24,120)	(578,664)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS:				
Depreciation expense	301,821	122,239	280,846	704,906
CHANGES IN ASSETS AND LIABILITIES:				
Accounts receivable	57,041	42,269	(111,839)	(12,529)
Accounts payable	23,864	147,459	151,527	322,850
Accrued expenses	<u>327</u>	<u>(1,873)</u>	<u>(23,614)</u>	<u>(25,160)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>103,111</u>	<u>35,492</u>	<u>272,800</u>	<u>411,403</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Fiduciary Assets and Liabilities - Agency Funds

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AS OF JUNE 30, 2008

**ASSETS:**

Cash	\$	20,510
Accounts receivable		<u>7,955</u>

**TOTAL ASSETS**

\$ 28,465

**LIABILITIES:**

Due to others	\$	20,158
Due to governmental funds		<u>8,307</u>

**TOTAL LIABILITIES**

\$ 28,465

## NATURE OF ORGANIZATION

The Village of Angel Fire, New Mexico (the Village) was incorporated in 1971 under the laws of the State of New Mexico. The Village operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning and general administrative services.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Financial Reporting Entity**

The financial statements for the Village have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. As required by GAAP, the financial statements present the Village and entities for which the Village is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2008.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Village. For the most part, the effect of interfund activity 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.

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

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

• **Financial Reporting Entity - continued**

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

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operations.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are recorded.

Governmental financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

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

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

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

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



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- **Financial Reporting Entity - continued**

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

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

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

- **Basis of Presentation - Fund Accounting**

The Village reports the following major governmental funds:

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

**Revenue Bonds** is a debt service fund used to account for monies received through monthly distributions of the State-Shared Gross Receipts Tax Revenues, pursuant to Section 7-6-6.4 NMSA 1978, to serve as the revenues pledged to re-pay the revenue bonds.

**HWY 434 Fund** is a capital projects fund used to account for money collected from Special Assessment District(s) to provide necessary infrastructure to those areas identified in the proposed Public Improvement District application and other areas throughout the Village. This was passed and approved by the Village Council with Resolution 2007-06.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Basis of Presentation - Fund Accounting - continued**

Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The Village uses the following enterprise funds to account for its proprietary funds, which are all major funds:

**Waste Water** - to account for the provision of waste water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance billing and collection.

**Solid Waste** - to account for the provision of landfill services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance billing and collection.

**Water** - to account for the provisions of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund. Financing is provided through charges to customers for service.

The Village reports the following fund types:

**General Fund** is the general operating fund of the Village. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important functions of the Village, including the Village's general services and administration, are accounted for in this fund.

**Special Revenue Funds** are used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those constructed for proprietary funds.

**Debt Service Funds** are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- **Basis of Presentation - Fund Accounting - continued**

**Agency Funds** are used to account for monies held by the Village in a custodial capacity on behalf of third parties or other agencies.

- **Cash and Investments**

Cash includes amounts in demand deposits. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

- **Investments**

Investments are stated at fair value, which is determined using selected basis. Interest income, realized gains and losses on investment transactions, and amortization of premiums and discounts on investment purchases are included in investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

- **Capital Assets**

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

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

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

Software	3 years
Machinery and equipment	3 – 10 years
Vehicles and vehicles under capital lease	5 – 7 years
Buildings	25 years
Infrastructure	25 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- **Capital Assets - continued**

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

Vehicles	5 years
Equipment	5 – 25 years
Plant and system	5 – 50 years

- **Accrued Employee Benefits**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

- **Fund Equity**

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

**Debt Service** - Amounts legally restricted for the payment of long-term debt.

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

- **Net Assets**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Interfund Transactions**

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

• **Cash Flows**

For purposes of the Statement of Cash Flows, the various enterprise funds consider all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents.

• **Budgetary Information**

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

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

1. Prior to June 1, the Village Administrator submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous years' history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects fund and enterprise funds.
4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

The Village did not adopt budgets for the Corrections, FEMA, Lodgers Tax Chamber, Recreation, Community Center, Fire Donations, EMS Donations, Forest Thinning, Lagoon Cleanup, Public Safety, HUD Assessment District, Transit Facility, Public Works or Debt Service funds.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• 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.

2. CASH AND INVESTMENTS

At June 30, 2008, the carrying amount of the Village's deposits was \$672,746 and the bank balance was \$896,884. The difference represents outstanding checks, deposits and other reconciling items.

• Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are: 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution, or 3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name. The pledged collateral by bank at June 30, 2008 consists of the following:

Total amount on deposit	\$	896,884
Les FDIC coverage		<u>(250,000)</u>
Total uninsured public funds		636,884
50% collateral requirement		323,442
Pledged securities, fair value		<u>696,671</u>
Pledged in excess of requirement	\$	<u><u>373,229</u></u>

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of \$100,000 at each financial institution.

The total balance in any single financial institution may at times exceed the \$100,000 in FDIC coverage available to individual depositors. Effective October 3, 2008, the FDIC coverage increased to \$250,000 through December 12, 2012. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

2. CASH AND INVESTMENTS - continued

• **Concentration of Credit Risk - Investments**

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

The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Section 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

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

LGIP does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month, all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in this pool is voluntary. The independent auditors’ report, together with the financial statements, the accompanying notes to the financial statements and the independent auditors’ report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

• **Interest Rate Risk – Investments**

The LGIP’s policy is to invest in securities with an average maturity of less than 182 days or a 0.5 yearly average term. The LGIP’s average term at June 30, 2008 was 43 days.

Investments held at the Bank of Albuquerque are invested in dollar denominated U.S. Treasury funds.

3. ACCOUNTS RECEIVABLE – PROPRIETY FUNDS

Accounts receivable represents billings for water, waste water and solid waste fees. It is management’s policy to cut off water and waste water service for non-payment. A lien is placed on the properties which have outstanding water bills. Accounts receivable is comprised of the following at June 30, 2008:

Accounts receivable	\$	967,424
Allowance for uncollectible accounts		<u>(719,472)</u>
	\$	<u>247,952</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statement - continued

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 563,146	-	-	563,146
Land - right of way	2,622,459	-	-	2,622,459
Construction in progress	<u>3,462,066</u>	<u>4,424,014</u>	<u>(61,639)</u>	<u>7,824,441</u>
Total capital assets not being depreciated	6,647,671	4,424,014	(61,639)	11,010,046
Capital assets being depreciated:				
Buildings	2,271,663	16,200	-	2,287,863
Software	263,983	-	-	263,983
Vehicles	1,221,729	246,053	(3,472)	1,464,310
Vehicles under capital lease	617,215	-	(48,164)	569,051
Equipment under capital lease	88,384	-	-	88,384
Machinery and equipment	1,130,790	29,259	-	1,160,049
Infrastructure	<u>4,393,511</u>	<u>236,040</u>	<u>-</u>	<u>4,629,551</u>
Total capital assets being depreciated	<u>9,987,275</u>	<u>527,552</u>	<u>(51,636)</u>	<u>10,463,191</u>
Total capital assets	16,634,946	4,951,566	(113,275)	21,473,237
Less accumulated depreciation for:				
Buildings	(460,648)	(91,029)	-	(551,677)
Software	(172,860)	(70,553)	-	(243,413)
Vehicles	(984,299)	(93,009)	10,327	(1,066,981)
Vehicles under capital lease	(537,739)	(42,377)	-	(580,116)
Equipment under capital lease	(12,626)	-	-	(12,626)
Machinery and equipment	(654,144)	(130,114)	-	(784,258)
Infrastructure	<u>(1,811,534)</u>	<u>(178,504)</u>	<u>-</u>	<u>(1,990,038)</u>
Total accumulated depreciation	<u>(4,633,850)</u>	<u>(605,586)</u>	<u>10,327</u>	<u>(5,229,109)</u>
Total capital assets being depreciated, net	<u>5,353,425</u>	<u>(78,034)</u>	<u>(41,309)</u>	<u>5,234,082</u>
Governmental activities capital assets, net	\$ <u>12,001,096</u>	<u>4,345,980</u>	<u>(102,948)</u>	<u>16,244,128</u>



VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statement - continued

4. CAPITAL ASSETS - continued

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 860,331	-	-	860,331
Water rights	<u>4,250,000</u>	<u>-</u>	<u>-</u>	<u>4,250,000</u>
Total capital assets not being depreciated	5,110,331	-	-	5,110,331
Capital assets being depreciated:				
Plant and system	18,724,106	-	-	18,724,106
Equipment	203,196	100,151	-	303,347
Vehicles	<u>430,980</u>	<u>-</u>	<u>-</u>	<u>430,980</u>
Total capital assets being depreciated	<u>19,358,282</u>	<u>100,151</u>	<u>-</u>	<u>19,458,433</u>
Total capital assets	24,468,613	100,151	-	24,568,764
Less accumulated depreciation for:				
Plant and system	(10,469,006)	(590,921)	-	(11,059,927)
Equipment	(56,688)	(66,237)	-	(122,925)
Vehicles	<u>(292,625)</u>	<u>(47,748)</u>	<u>-</u>	<u>(340,373)</u>
Total accumulated depreciation	<u>(10,818,319)</u>	<u>(704,906)</u>	<u>-</u>	<u>(11,523,225)</u>
Total capital assets being depreciated, net	<u>8,539,963</u>	<u>(604,755)</u>	<u>-</u>	<u>7,935,208</u>
Business-type activities capital assets, net	\$ <u>13,650,294</u>	<u>(604,755)</u>	<u>-</u>	<u>13,045,539</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

4. CAPITAL ASSETS - continued

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

Governmental activities:			
General government		\$	539,070
Public safety			29,412
Highways and streets			9,741
Culture and recreation			9,831
Public transportation			<u>17,532</u>
		\$	<u>605,586</u>
Business-type activities:			
Waste water		\$	301,821
Solid waste			122,239
Water			<u>280,846</u>
Total depreciation expense		\$	<u>704,906</u>

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES

During the year ended June 30, 2008, the following changes occurred:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans payable	\$ 896,572	99,000	(85,287)	910,285	98,983
Bonds payable	1,458,088	4,509,246	(60,238)	5,907,096	250,219
Capital leases	547,589	-	(136,269) *	411,320	48,838
Compensated absences	<u>36,388</u>	<u>19,688</u>	<u>(23,639)</u>	<u>32,437</u>	<u>22,284</u>
Total	\$ <u>2,938,637</u>	<u>4,627,934</u>	<u>(305,433)</u>	<u>7,261,138</u>	<u>420,324</u>

\* Included in capital lease deletions is a \$48,164 deletion related to the early termination of a capital lease. The Village returned the related leased property. Actual principal payments related to the capital lease were \$88,105.

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

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES - continued

• Loans Payable

The Village obtained a loan from the New Mexico Finance Authority for a Rescue Mini Pumper Truck. The loan is non-interest bearing. The future requirements for the Rescue Mini Pumper Truck are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 7,940	-	7,940
Totals	\$ 7,940	-	7,940

On August 6, 2004, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$1,105,557, with an interest rate of 3.53%, for the purpose of improving the roads within the Village. The future requirements for the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 79,043	24,703	103,746
2010	80,992	22,957	103,949
2011	83,200	20,956	104,156
2012	85,678	18,693	104,371
2013	88,418	16,174	104,592
2014 – 2017	386,014	34,724	420,738
Totals	\$ 803,345	138,207	941,552

On July 1, 2008, the Village obtained a loan from First National Bank in Clayton, NM, in the amount of \$99,000, with an interest rate of 4%, for the purpose of purchasing an ambulance. The future requirements for the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 12,000	3,960	15,960
2010	13,000	3,480	16,480
2011	14,000	2,960	16,960
2012	14,000	2,400	16,400

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES - continued

• Loans Payable - continued

Year Ending June 30,	Principal	Interest	Total
2013	\$ 15,000	1,840	16,840
2014 – 2015	<u>31,000</u>	<u>1,880</u>	<u>32,880</u>
Totals	\$ <u>99,000</u>	<u>16,520</u>	<u>115,520</u>

• Bonds Payable

The Village issued \$700,000 in Rural Utilities Service Bonds on January 1, 1997. The bonds mature January 1, 2037 and were issued at 5.0%. The proceeds of the bonds were used to construct the community center.

1997 Rural Utilities Service Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 10,000	30,900	40,900
2010	10,000	30,400	40,400
2011	11,000	29,900	40,900
2012	11,000	29,350	40,350
2013	12,000	28,800	40,800
2014 – 2018	70,000	134,300	204,300
2019 – 2023	90,000	115,000	205,000
2024 – 2028	115,000	90,000	205,000
2029 – 2033	145,000	58,450	203,450
2034 - 2037	<u>144,000</u>	<u>18,350</u>	<u>162,350</u>
Totals	\$ <u>618,000</u>	<u>565,450</u>	<u>1,183,450</u>

The Village issued \$400,000 in General Obligation Bonds on January 26, 1999. The bonds mature August 1, 2012 and were issued at rates from 4.125% and 6.125%. The proceeds of the bonds were used as matching funds for the construction of a waste water treatment plant.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES - continued

• Bonds Payable – continued

1999 General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 35,000	9,040	44,040
2010	35,000	7,535	42,535
2011	40,000	6,013	46,013
2012	45,000	4,252	49,252
2013	<u>50,000</u>	<u>2,250</u>	<u>52,250</u>
Totals	\$ <u>205,000</u>	<u>29,090</u>	<u>234,090</u>

The Village issued \$750,000 in Gross Receipts Tax Revenue Bonds, Series 2003, on July 18, 2003. The bonds mature January 1, 2018 and were issued at 4.5%. The proceeds of the bonds were used to purchase and improve the village hall property.

2003 Gross Receipts Tax Revenue Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 44,908	24,391	69,299
2010	46,951	22,348	69,299
2011	49,088	20,211	69,299
2012	51,321	17,978	69,299
2013	53,657	15,642	69,299
2014 – 2018	<u>328,925</u>	<u>39,286</u>	<u>368,211</u>
Totals	\$ <u>574,850</u>	<u>139,856</u>	<u>714,706</u>

On September 28, 2007, the Village issued \$1,886,042 in Joint Utility System Improvement Revenue Bonds, Series 2007. The bonds mature on September 28, 2027, and were issued at 4.25%. The proceeds of the bonds were available to the Village for improvement related expenses and were to be drawn down through USDA-RUS approved requisitions. During the year, the Village drew down proceeds in the amount of \$1,653,582. The outstanding balance for these bonds at June 30, 2008 was \$1,653,582.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES - continued

• Bonds Payable – continued

2007 Joint Utility System Improvement Revenue Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 61,711	80,157	141,868
2010	64,334	77,534	141,868
2011	67,068	74,800	141,868
2012	69,918	71,949	141,867
2013	72,890	68,978	141,868
2014 – 2018	413,636	295,703	709,339
2019 – 2023	509,327	200,011	709,338
2024 – 2027	<u>394,698</u>	<u>82,179</u>	<u>476,877</u>
Totals	\$ <u>1,653,582</u>	<u>951,311</u>	<u>2,604,893</u>

On October 4, 2007, the Village issued \$2,855,664 in Improvement District Bonds, Series 2007. The bonds mature on December 1, 2026, and were issued at 4.125%. The proceeds of the bonds were used to construct or otherwise acquire water and wastewater lines and facilities within the Village.

2007 Improvement District Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 98,600	113,890	212,490
2010	102,600	109,823	212,423
2011	106,900	105,591	212,491
2012	111,300	101,181	212,481
2013	115,900	96,590	212,490
2014 – 2018	655,100	427,178	1,082,278
2019 – 2023	801,900	260,443	1,062,343
2024 – 2027	<u>863,364</u>	<u>274,262</u>	<u>1,137,626</u>
Totals	\$ <u>2,855,664</u>	<u>1,488,958</u>	<u>4,344,622</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

5. LONG-TERM OBLIGATIONS – GOVERNMENTAL ACTIVITIES - continued

• **Capital Leases**

The Village is obligated under lease purchase contracts. In the opinion of the counsel for the Village, these lease purchase contracts comply with the *Montano vs. Gabaldon* decision, in that payments for these leases will be made from Special Revenue Funds and not from general tax revenue.

The Village is obligated to Caterpillar Financial Services Corporation under various leases which are accounted for as capital leases. The leased assets are for motor graders, backhoes and an ambulance. The Village is obligated to Republic First National Bank, John Deere Credit and CNA Capital. The costs and carrying value of the assets under lease are separately stated in the capital assets footnote.

The future requirements for capital leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 48,838	13,163	62,001
2010	50,951	10,230	61,181
2011	311,531	5,547	317,078
2012	-	-	-
Totals	\$ <u>411,320</u>	<u>28,940</u>	<u>440,260</u>

• **Accrued Compensated Absences**

It is the policy of the Village to grant each permanent and probationary full time employee annual leave based on the following schedule. Any unused annual leave which an employee may accrue is 200 hours.

Total Years of Village Service	Yearly Accumulation
0 – 5 (inclusive)	10 days
6 – 19 (inclusive)	15 days
20 or more	18 days

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

6. LONG-TERM DEBT – PROPRIETARY FUNDS

Business-type activities:

		<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans payable	\$	1,152,509	-	(72,959)	1,079,550	74,571
Bonds payable		6,500,000	-	(76,000)	6,424,000	80,000
Capital leases		153,377	100,151	(61,629)	191,899	65,778
Compensated absences		<u>18,106</u>	<u>12,987</u>	<u>(13,449)</u>	<u>17,644</u>	<u>17,644</u>
Total	\$	<u>7,823,992</u>	<u>113,138</u>	<u>(224,037)</u>	<u>7,713,093</u>	<u>237,993</u>

• Loans Payable

The Village is obligated to the New Mexico Finance Authority under certain loans that are accounted for as long-term loans payable. The assets purchased were for the Water Enterprise fund and the Solid Waste transfer station. The cost of the assets purchased with the notes payable totaled \$1,533,471. The water loan is non-interest bearing. The interest rate for the transfer station loan ranges from 3.020% to 4.920%.

The future requirements for the water loan are as follows:

<u>Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$	8,668	-	8,668
2010		8,988	-	8,988
2011		9,010	-	9,010
2012		9,033	-	9,033
2013		9,055	-	9,055
2014 – 2018		45,620	-	45,620
2019 – 2020		<u>18,409</u>	<u>-</u>	<u>18,409</u>
Totals	\$	<u>108,783</u>	<u>-</u>	<u>108,783</u>



VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

6. LONG-TERM DEBT – PROPRIETARY FUNDS - continued

• Loans Payable - continued

The future requirements for the transfer station are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 56,266	36,345	92,611
2010	58,234	34,523	92,757
2011	60,326	32,581	92,907
2012	62,564	30,500	93,064
2013	64,956	28,270	93,226
2014 – 2018	366,859	101,947	468,806
2019 – 2021	<u>260,866</u>	<u>22,925</u>	<u>283,791</u>
Totals	\$ <u>930,071</u>	<u>287,091</u>	<u>1,217,162</u>

• Loans Payable

On April 6, 2007, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$50,000 for the purchase of a grapple truck. The future requirements for the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 9,637	1,385	11,022
2010	9,984	1,063	11,047
2011	10,348	725	11,073
2012	10,727	372	11,099
2013	-	-	-
2014 – 2017	<u>-</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>40,696</u>	<u>3,545</u>	<u>44,241</u>

• Bonds Payable

The Village issued \$3,000,000 in Water System and Waste Water System Revenue Bonds, Series 1998, for the purpose of constructing water systems and a waste water system and related facilities. The bonds mature September 10, 2039 and have a stated interest rate of 4.75%. The bonds are secured by the revenue of the Water and Waste Water enterprises.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

6. LONG-TERM DEBT – PROPRIETARY FUNDS - continued

• Bonds Payable – continued

The future requirements for the 1998 Water System and Waste Water System Revenue Bonds are payable as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 40,000	128,820	168,820
2010	42,000	126,920	168,920
2011	44,000	124,925	168,925
2012	46,000	122,835	168,835
2013	48,000	120,650	168,650
2014 – 2018	278,000	566,626	844,626
2019 – 2023	351,000	493,999	844,999
2024 – 2028	441,000	402,560	843,560
2029 – 2033	556,000	287,374	843,374
2034 - 2038	703,000	141,977	844,977
2039	<u>163,000</u>	<u>7,743</u>	<u>170,743</u>
Totals	\$ <u>2,712,000</u>	<u>2,524,429</u>	<u>5,236,429</u>

The Village issued \$3,000,000 in Water System and Waste Water System Revenue Bonds, Series 1999, for the purpose of constructing water systems and a waste water system and related facilities. The bonds mature June 17, 2039 and have a stated interest rate of 4.75%. The bonds are secured by the revenue of the Water and Waste Water enterprises.

The future requirements for the 1999 Water System and Waste Water System Revenue Bonds are payable as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 40,000	128,820	168,820
2010	42,000	126,920	168,920
2011	44,000	124,925	168,925
2012	46,000	122,835	168,835
2013	48,000	120,650	168,650
2014 – 2018	278,000	566,626	844,626
2019 – 2023	351,000	493,999	844,999

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

6. LONG-TERM DEBT – PROPRIETARY FUNDS - continued

• Bonds Payable – continued

Year Ending June 30,	Principal	Interest	Total
2024 – 2028	\$ 441,000	402,560	843,560
2029 – 2033	556,000	287,374	843,374
2034 - 2038	703,000	141,977	844,977
2039	<u>163,000</u>	<u>7,743</u>	<u>170,743</u>
Totals	\$ <u>2,712,000</u>	<u>2,524,429</u>	<u>5,236,429</u>

The Village issued \$1,000,000 in Water Surcharge Revenue Bonds, Series 2005, for the purpose of purchasing water rights. The bonds mature October 21, 2026 and have a stated interest rate of 7.00%. The bonds are secured by the revenue of the Water enterprises.

The future requirements for the Water Surcharge Revenue Bonds, Series 2005, are payable as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	70,000	70,000
2010	30,000	68,950	98,950
2011	30,000	66,850	96,850
2012	35,000	64,575	99,575
2013	35,000	62,125	97,125
2014 – 2018	225,000	267,225	492,225
2019 – 2023	310,000	483,950	793,950
2024 – 2027	<u>335,000</u>	<u>49,175</u>	<u>384,175</u>
Totals	\$ <u>1,000,000</u>	<u>1,132,850</u>	<u>2,132,850</u>

• Lease Purchase Obligations

The Village is obligated to Wagner and Caterpillar Financial Services Corporation under leases which are accounted for as capital leases. The leased assets are for use in the Water and Waste Water enterprises. The costs and carrying value of the assets under lease are separately stated in the capital assets footnote.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

6. LONG-TERM DEBT – PROPRIETARY FUNDS - continued

• Lease Purchase Obligations - continued

The future requirements for capital leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 65,778	11,156	76,934
2010	72,891	6,464	79,355
2011	20,737	3,657	24,394
2012	22,535	1,859	24,394
2013	<u>9,958</u>	<u>205</u>	<u>10,163</u>
Totals	\$ <u>191,899</u>	<u>23,341</u>	<u>215,240</u>

7. INTERFUND BALANCES

The following are short-term amounts owed between funds and are classified as due from/to other funds at June 30, 2008:

A. Due To Other Funds

Fund	Amount
<b>Major Governmental Funds:</b>	
General Fund	\$ 454,071
Revenue Bonds Fund	<u>806,579</u>
<b>Total Major Governmental Funds</b>	<b>1,260,650</b>
<b>Nonmajor Governmental Funds:</b>	
Corrections Fund	1,750
FEMA Fund	130,611
Fire Protection Fund	1,340
Public Works Fund	66,695
Teen Court Fund	9,364
Transportation Fund	321,857
Community Center Fund	428,429
Lodger's Tax Chamber Fund	1,750
Street Project Fund	301,158
Back Basin Road Fund	37,334

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

7. INTERFUND BALANCES - continued

A. Due To Other Funds - continued

Fund	Amount
<b>Nonmajor Governmental Funds - continued:</b>	
Fire Protection Facility Fund	\$ 24,152
Forest Thinning Fund	2,619
MAP Grant Fund	7,734
Lagoon Cleanup Fund	169,097
Transit Facility Fund	2,851
Capital Building Watertank Fund	7,900
Ambulance Service Fund	<u>17,728</u>
<b>Total Nonmajor Governmental Funds</b>	<u>1,532,369</u>
<b>Total Governmental Funds</b>	2,793,019
<b>Enterprise Funds:</b>	
Waste Water Fund	110,379
Solid Waste Fund	76,308
Water Fund	<u>53,890</u>
<b>Total Enterprise Funds</b>	240,577
<b>Agency Fund:</b>	
Motor Vehicle Fund	<u>8,307</u>
<b>Total Agency Fund</b>	<u>8,307</u>
<b>Grand Total</b>	<b>\$ <u>3,041,903</u></b>

B. Due From Other Funds

Fund	Amount
<b>Major Governmental Fund:</b>	
General Fund	\$ <u>461,078</u>
<b>Total Major Governmental Fund</b>	461,078
<b>Nonmajor Governmental Funds:</b>	
Fire Protection Fund	150,000
Lodger's Tax Reserve Fund	435,642

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

7. INTERFUND BALANCES - continued

B. Due From Other Funds - continued

Fund	Amount
<b>Nonmajor Governmental Funds - continued:</b>	
Recreation Fund	\$ 275
Transportation Fund	50,431
Community Center Fund	197,924
Fire Donations Fund	4,071
Public Safety Building Fund	401,159
Lagoon Cleanup Fund	<u>104,499</u>
<b>Total Nonmajor Governmental Funds</b>	<u>1,344,001</u>
<b>Total Governmental Funds</b>	1,805,079
<b>Enterprise Fund:</b>	
Water Fund	<u>1,236,824</u>
<b>Total Enterprise Fund</b>	<u>1,236,824</u>
<b>Grand Total</b>	<b>\$ <u>3,041,903</u></b>

The due to/due from balances have been caused by negative cash balances at year end. All balances are expected to be repaid within one year.

8. TRANSFERS

Inter-agency transfers at June 30, 2008 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 980,886	-
Highway 434	-	(680,986)
Water Fund	-	<u>(299,900)</u>
<b>Totals</b>	<b>\$ <u>980,886</u></b>	<b><u>(980,886)</u></b>

The transfers to the General Fund were to support operating activities of the fund.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

9. DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2008:

Lodgers Tax Chamber	\$	1,750
Forest Thinning		2,619
Transit Facility		2,851
MAP Grant		7,734
Capital Building Watertank		7,900
Teen Court		9,364
Ambulance Service		17,728
Fire Protection		24,152
Back Basin Road		37,334
Public Works		63,251
FEMA		129,455
Community Center		230,391
Transportation		277,944
Lagoon Cleanup		285,302
Street Project		360,593
Revenue Bonds		<u>806,579</u>
	\$	<u>2,264,947</u>

The Village is in the process of researching the negative balances. They hope to correct the fund balances in the year ending June 30, 2009.

10. PROPERTY TAXES

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

11. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

• Plan Description

Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries.

**11. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

• **Plan Description - continued**

PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

• **Funding Policy**

Plan members are required to contribute 9.15%, and police members are required to contribute 12.35%, of their gross salary. The Village is required to contribute 9.15% for plan members and 18.5% for police members. The contribution requirements of the plan members and the Village are established under State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contribution to PERA for the years ended June 30, 2008, 2007 and 2006 was \$215,091, \$215,091 and \$178,484, respectively, equal to the amount of the required contributions for each year.

In addition to PERA, the Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all full-time employees after six months of employment. It permits them to defer a portion of their salary until future years.

**12. POSTEMPLOYMENT HEALTH CARE PLAN**

The Village does not participate in the Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978), but provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

**13. RISK MANAGEMENT**

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the general long-term debt account group because it is not expected to be liquidated with expendable available financial resources.



VILLAGE OF ANGEL FIRE, NEW MEXICO

Notes to Financial Statements – continued

14. COMMITMENTS AND CONTINGENCIES

• **Litigation**

The Village is a defendant in a small number of lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

• **Grant Compliance**

The Village receives significant financial assistance from the State and U.S. Government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable state and federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantor. As of June 30, 2008, management estimates that no material liabilities will result from such audits.

• **Operating Leases**

The Village is committed under several leases for various building and equipment rentals. These leases are considered for accounting purposes to be operating leases and are not reflected in the Village's liabilities at June 30, 2008. The following is a schedule by years of future minimum lease payments under operating leases that have initial or remaining non-cancelable terms in excess of one year as of June 30, 2008:

2009	\$	77,877
2010		40,266
2011		6,542
2012		5,000
2013		5,000
2014 and thereafter		<u>10,000</u>
	\$	<u>144,685</u>

15. BUDGET OVERAGES

The Village incurred overages due to expenditures that exceeded final budget, and all budgets were not prepared. See Finding 03-6.

Emergency Medical Services	\$	4,292	Highway 434 Assessment	\$	3,894,227
Fire Protection	\$	8,420	MAP Grant	\$	470
Lodgers Tax Reserve	\$	34,324	Revenue Bonds	\$	46,209
Teen Court	\$	1,050	Ambulance Service	\$	115,506
Fire Donations	\$	23,882	Waste Water	\$	311,085
Lodgers Tax	\$	1,750	Solid Waste	\$	85,691
Street Project	\$	229,409	Water	\$	82,650
Back Basin Road	\$	37,334			

**16. SUBSEQUENT EVENTS**

Subsequent to June 30, 2008, the Village entered into the following transactions:

- On June 1, 2008, the Village issued a line of credit with International Bank, Roswell, in the amount of \$500,000. The Village did not draw on this account until August 20, 2008.
- In September 2008, the Village issued Fire Protection Series 2008A bonds in the amount of \$700,000 for use with the Fire Station.
- In October 2008, the Village issued Fire Protection Series 2008B bonds in the amount of \$107,000 for use with the Fire Station.
- In December 2008, the Village issued Gross Receipts Tax Revenue Bonds in the amount of \$160,890. The proceeds of the bonds will be used for the purchase of a water tender truck.

**SUPPLEMENTARY INFORMATION**

## NON-MAJOR FUNDS

### SPECIAL REVENUE FUNDS:

- **Corrections**

To establish an additional source of funds for municipalities to offset the costs of corrections. The source of funds is a \$5.00 fee which must be paid by all persons violating laws relating to the operations of a motor vehicle. Authority is NMSA 33-9-3.

- **USDA Air Burner**

To account for an air burner grant. Authority is the grant agreement.

- **FEMA**

To account for grant funds from the New Mexico Energy, Minerals and Natural Resources Department. The funds are used to reduce fire hazard. Authority is NMSA 7-9-29.

- **Emergency Medical Services**

To account for all rescue operations within the Fire Department. The source of funds is state grant money. Authority is NMSA 24-10A-1 through 24-10A-10.

- **Fire Protection**

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

- **Law Enforcement Protection**

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

- **Lodgers Tax Reserve**

To account for lodgers tax collections. The tax is to be used for cultural and recreational activities. Authority is NMSA 3-38-14.

- **Public Works**

The public works fund is used to account for gasoline taxes and state grant money used for the construction and maintenance of streets. Authority is NMSA 7-1-6.9 and 7-1-6.27.

- **Recreation**

To account for revenues and expenditures relating to village recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15.

- **Teen Court**

To account for revenues and expenditures related to the teen court.

## NON-MAJOR FUNDS - continued

### SPECIAL REVENUE FUNDS - continued:

- **Transportation**

To account for the cost of operating the local transit system. Revenues are from fees collected from passengers and a grant from the Federal Transit Authority. Authority is NMSA 49 USC 5311.

- **Transportation – Welfare to Work**

To account for grant funds received to provide transportation services for welfare recipients and low income citizens to enable them to work. Authority is from the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

- **Community Center**

To account for the revenue and expenditures of the Community Center. The fund is authorized by the Village Council.

- **Fire Donations**

To account for money donated to the Village for the purchase of ice rescue equipment. The fund is authorized by the Village Council.

- **EMS Donations**

To account for money donated to the Village for the EMS department. The fund is authorized by the Village Council.

- **Lodgers Tax Chamber**

To account for monies collected from Lodgers taxes. These funds are to be used for cultural and recreation activities.

- **Street Project**

To account for improvements and maintenance of the Village's roads. Funding is by Municipal Capital Outlay Gross Receipts Tax.

- **Back Basin Road**

To account for the Back Basin Road improvement project. Authority is the grant agreement.

- **Fire Protection Facility**

To account for acquiring, constructing, enlarging, improving and extending the fire protection facility to serve the area lawfully within its jurisdiction to serve. Authority is NMSA 59A-53-7.

### CAPITAL PROJECTS FUNDS:

- **Public Safety Building**

To account for the construction of a public safety building. Construction is to be financed by Municipal Infrastructure Gross Receipts Tax.

## NON-MAJOR FUNDS - continued

### CAPITAL PROJECTS FUNDS - continued:

- **Forest Thinning**

To account for monies used for the clean up and maintenance of forestry around the Village.

- **MAP Grant**

To account for the receipt and expenditure of funds from the Transportation Planning Division of New Mexico State Highway and Transportation Department's Municipal Arterial Program (MAP).

- **Lagoon Cleanup**

To account for grant revenue and expenditures related to the fill-in and clean up of the former Village lagoon. Authority is a grant from the New Mexico Environment Department pursuant to NMSA H-1-6.B.

- **Transit Facility**

To account for grant money received and expended for the construction of the transit facility. The construction is funded by a grant from the United States Department of Transportation and by local matching funds.

- **Capital Building Water Tank**

Pursuant to Resolution number 2007-67, to account for money collected for the construction and/or replacement of the four water tanks that provide water to the condominium area, as well as the water line that extends to US 64.

### DEBT SERVICE FUNDS:

- **Ambulance Service**

To account for the accumulation of Village resources and payment of the Village of Angel Fire, New Mexico Gross Receipts Tax Revenue Bonds, Series 2008B (Ambulance Acquisition), general long-term debt principal, interest and related costs. This fund was passed, adopted and approved by the Village Council on May 20, 2008 with Village Resolution 2008-26.

### AGENCY FUNDS:

- **Motor Vehicle Fund**

To account for the collection of motor vehicle fees and payment to the State of New Mexico. These fees are collected by the Village on behalf of the State of New Mexico.

- **Municipal Court Bond Fund**

To account for the collection and reimbursement of Municipal Court bonds.

AS OF JUNE 30, 2008

SPECIAL

	<u>Corrections</u>	<u>USDA Air Burner</u>	<u>FEMA</u>	<u>Emergency Medical Services</u>	<u>Fire Protection</u>
<b>ASSETS:</b>					
Cash and investments	\$ 8,493	61,893	-	1,287	7,184
Receivables:					
Taxes:					
Property tax	-	-	-	-	-
Gross receipts tax	-	-	-	-	-
Lodgers tax	-	-	-	-	-
Gas tax	-	-	1,156	-	-
Due from other funds	-	-	-	-	150,000
<b>TOTAL ASSETS</b>	<b>\$ <u>8,493</u></b>	<b><u>61,893</u></b>	<b><u>1,156</u></b>	<b><u>1,287</u></b>	<b><u>157,184</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	-	-	-	7,350
Other liabilities	-	-	-	-	-
Due to other funds	<u>1,750</u>	-	<u>130,611</u>	-	<u>1,340</u>
<b>TOTAL LIABILITIES</b>	<b>1,750</b>	<b>-</b>	<b>130,611</b>	<b>-</b>	<b>8,690</b>
<b>FUND BALANCES:</b>					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated:					
Special revenue	6,743	61,893	(129,455)	1,287	148,494
Capital projects	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>6,743</u></b>	<b><u>61,893</u></b>	<b><u>(129,455)</u></b>	<b><u>1,287</u></b>	<b><u>148,494</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>8,493</u></b>	<b><u>61,893</u></b>	<b><u>1,156</u></b>	<b><u>1,287</u></b>	<b><u>157,184</u></b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Balance Sheet -  
Non-major Funds

REVENUE FUNDS

Law Enforcement Protection	Lodgers Tax Reserve	Public Works	Recreation	Teen Court	Transportation	Transportation - Welfare to Work
14,504	28,638	-	7,481	-	-	11,784
-	-	3,444	-	-	-	-
-	18,619	-	-	-	-	-
-	435,642	-	275	-	50,431	-
<u>14,504</u>	<u>482,899</u>	<u>3,444</u>	<u>7,756</u>	<u>-</u>	<u>50,431</u>	<u>11,784</u>
-	32,375	-	-	-	347	-
-	-	-	-	-	6,171	104
-	-	66,695	-	9,364	321,857	-
-	32,375	66,695	-	9,364	328,375	104
-	-	-	-	-	-	-
14,504	450,524	(63,251)	7,756	(9,364)	(277,944)	11,680
-	-	-	-	-	-	-
<u>14,504</u>	<u>450,524</u>	<u>(63,251)</u>	<u>7,756</u>	<u>(9,364)</u>	<u>(277,944)</u>	<u>11,680</u>
<u>14,504</u>	<u>482,899</u>	<u>3,444</u>	<u>7,756</u>	<u>-</u>	<u>50,431</u>	<u>11,784</u>



AS OF JUNE 30, 2008

SPECIAL REVENUE FUNDS

	Community Center	Fire Donations	EMS Donations	Lodger's Tax Chamber	Street Project
<b>ASSETS:</b>					
Cash and investments	\$ -	44,168	340	-	8,329
Receivables:					
Taxes:					
Property tax	-	-	-	-	-
Gross receipts tax	114	-	-	-	21,470
Lodgers tax	-	-	-	-	-
Gas tax	-	-	-	-	-
Due from other funds	<u>197,924</u>	<u>4,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>198,038</u></b>	<b><u>48,239</u></b>	<b><u>340</u></b>	<b><u>-</u></b>	<b><u>29,799</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	24,336	-	-	89,234
Other liabilities	-	-	-	-	-
Due to other funds	<u>428,429</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>301,158</u>
<b>TOTAL LIABILITIES</b>	<b>428,429</b>	<b>24,336</b>	<b>-</b>	<b>1,750</b>	<b>390,392</b>
<b>FUND BALANCES:</b>					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated:					
Special revenue	(230,391)	23,903	340	(1,750)	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(360,593)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>(230,391)</u></b>	<b><u>23,903</u></b>	<b><u>340</u></b>	<b><u>(1,750)</u></b>	<b><u>(360,593)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>198,038</u></b>	<b><u>48,239</u></b>	<b><u>340</u></b>	<b><u>-</u></b>	<b><u>29,799</u></b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Balance Sheet -  
Non-major Funds - continued

CAPITAL PROJECTS FUNDS

<u>Back Basin Road</u>	<u>Fire Protection Facility</u>	<u>Total Special Revenue</u>	<u>Public Safety Building</u>	<u>Forest Thinning</u>	<u>MAP Grant</u>
-	-	194,101	151,140	-	-
-	-	3,444	21,311	-	-
-	-	21,584	-	-	-
-	-	18,619	-	-	-
-	-	1,156	-	-	-
-	-	<u>838,343</u>	<u>401,159</u>	-	-
-	-	<u>1,077,247</u>	<u>573,610</u>	-	-
-	-	153,642	-	-	-
-	-	6,275	-	-	-
<u>37,334</u>	<u>24,152</u>	<u>1,324,440</u>	-	<u>2,619</u>	<u>7,734</u>
37,334	24,152	1,484,357	-	2,619	7,734
-	-	-	-	-	-
(37,334)	(24,152)	(46,517)	-	-	-
-	-	<u>(360,593)</u>	<u>573,610</u>	<u>(2,619)</u>	<u>(7,734)</u>
(37,334)	(24,152)	(407,110)	573,610	(2,619)	(7,734)
-	-	<u>1,077,247</u>	<u>573,610</u>	-	-

AS OF JUNE 30, 2008

CAPITAL PROJECTS FUNDS

	Lagoon Cleanup	Transit Facility	Capital Building Watertank	Total Capital Projects
<b>ASSETS:</b>				
Cash and investments	\$ -	-	-	151,140
Receivables:				
Taxes:				
Property tax	-	-	-	21,311
Gross receipts tax	-	-	-	-
Lodgers tax	-	-	-	-
Gas tax	-	-	-	-
Due from other funds	<u>104,499</u>	-	-	<u>505,658</u>
<b>TOTAL ASSETS</b>	<u>104,499</u>	<u>-</u>	<u>-</u>	<u>678,109</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	220,704	-	-	220,704
Other liabilities	-	-	-	-
Due to other funds	<u>169,097</u>	<u>2,851</u>	<u>7,900</u>	<u>190,201</u>
<b>TOTAL LIABILITIES</b>	389,801	2,851	7,900	410,905
<b>FUND BALANCES:</b>				
Reserved for debt service	-	-	-	-
Unreserved, undesignated:				
Special revenue	-	-	-	-
Capital projects	<u>(285,302)</u>	<u>(2,851)</u>	<u>(7,900)</u>	<u>267,204</u>
<b>TOTAL FUND BALANCES</b>	<u>(285,302)</u>	<u>(2,851)</u>	<u>(7,900)</u>	<u>267,204</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>104,499</u>	<u>-</u>	<u>-</u>	<u>678,109</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Balance Sheet -  
Non-major Funds - continued

DEBT SERVICE FUNDS

<u>Ambulance Service</u>	<u>Total Debt Service</u>	<u>Total Non-major</u>
-	-	345,241
-	-	24,755
-	-	21,584
-	-	18,619
-	-	1,156
<u>-</u>	<u>-</u>	<u>1,344,001</u>
<u>-</u>	<u>-</u>	<u>1,755,356</u>
-	-	374,346
-	-	6,275
<u>17,728</u>	<u>17,728</u>	<u>1,532,369</u>
17,728	17,728	1,912,990
(17,728)	(17,728)	(17,728)
-	-	(46,517)
<u>-</u>	<u>-</u>	<u>(93,389)</u>
<u>(17,728)</u>	<u>(17,728)</u>	<u>(157,634)</u>
<u>-</u>	<u>-</u>	<u>1,755,356</u>

**YEAR ENDED JUNE 30, 2008**

	<u>Corrections</u>	<u>USDA Air Burner</u>	<u>FEMA</u>	<u>Emergency Medical Services</u>
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees and fines	-	-	-	225
Interest	-	-	-	-
State Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	225
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	15,992
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Public transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	15,992
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	(15,767)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	(15,767)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	6,743	61,893	(129,455)	17,054
<b>FUND BALANCE, END OF YEAR</b>	\$ 6,743	61,893	(129,455)	1,287

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Non-major Funds

SPECIAL REVENUE FUNDS

Fire Protection	Law Enforcement Protection	Lodgers Tax Reserve	Public Works	Recreation	Teen Court	Transportation
-	-	293,184	1,550	2,724	-	-
-	-	-	-	-	-	19,174
1,525	-	-	-	-	-	-
117,175	-	-	-	-	-	213,207
-	-	692	-	-	-	-
118,700	-	293,876	1,550	2,724	-	232,381
1,901	-	172,348	-	-	1,050	-
44,865	8,861	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	254,785
4,834	-	15,403	-	-	-	61,558
-	-	-	-	-	-	7,428
7,920	-	-	-	-	-	-
59,520	8,861	187,751	-	-	1,050	323,771
59,180	(8,861)	106,125	1,550	2,724	(1,050)	(91,390)
59,180	(8,861)	106,125	1,550	2,724	(1,050)	(91,390)
89,314	23,365	344,399	(64,801)	5,032	(8,314)	(186,554)
148,494	14,504	450,524	(63,251)	7,756	(9,364)	(277,944)

**YEAR ENDED JUNE 30, 2008**

	<u>Transportation Welfare to Work</u>	<u>Community Center</u>	<u>Fire Donations</u>	<u>EMS Donations</u>
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees and fines	619	-	85,502	-
Interest	-	-	-	-
State Grant	-	-	-	-
Other	-	<u>398,533</u>	-	-
<b>TOTAL REVENUES</b>	<b>619</b>	<b>398,533</b>	<b>85,502</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,620	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	102,528	-	-
Public transportation	-	-	-	-
Capital outlay	-	321,067	49,093	-
Debt service - interest	-	31,350	-	-
Debt service - principal	-	<u>9,000</u>	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>2,620</u></b>	<b><u>463,945</u></b>	<b><u>49,093</u></b>	<b><u>-</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b><u>(2,001)</u></b>	<b><u>(65,412)</u></b>	<b><u>36,409</u></b>	<b><u>-</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,001)</b>	<b>(65,412)</b>	<b>36,409</b>	<b>-</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b><u>13,681</u></b>	<b><u>(164,979)</u></b>	<b><u>(12,506)</u></b>	<b><u>340</u></b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ <u>11,680</u></b>	<b><u>(230,391)</u></b>	<b><u>23,903</u></b>	<b><u>340</u></b>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Non-major Funds - continued

SPECIAL REVENUE FUNDS					CAPITAL PROJECT FUNDS	
Lodgers Tax Chamber	Street Project	Back Basin Road	Fire Protection Facility	Total Special Revenue	Public Safety Building	Forest Thining
-	418,773	-	-	716,231	147,565	-
-	-	-	-	105,520	-	-
-	-	-	-	1,525	-	-
-	-	-	-	330,382	-	-
-	10,774	-	-	409,999	-	-
-	429,547	-	-	1,563,657	147,565	-
1,750	-	37,334	24,152	241,155	-	-
-	-	-	-	69,718	-	2,619
-	141,569	-	-	141,569	-	-
-	-	-	-	102,528	-	-
-	-	-	-	254,785	-	-
-	164,777	-	-	616,732	-	-
-	27,216	-	-	65,994	-	-
-	77,367	-	-	94,287	-	-
1,750	410,929	37,334	24,152	1,586,768	-	2,619
(1,750)	18,618	(37,334)	(24,152)	(23,111)	147,565	(2,619)
(1,750)	18,618	(37,334)	(24,152)	(23,111)	147,565	(2,619)
-	(379,211)	-	-	(383,999)	426,045	-
(1,750)	(360,593)	(37,334)	(24,152)	(407,110)	573,610	(2,619)



YEAR ENDED JUNE 30, 2008

CAPITAL PROJECT FUNDS

	<u>MAP Grant</u>	<u>Lagoon Cleanup</u>	<u>Transit Facility</u>	<u>Capital Building Watertank</u>
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees and fines	-	-	-	-
Interest	-	-	-	-
State Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
General government	-	52,405	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Public transportation	-	-	-	-
Capital outlay	470	117,371	-	-
Debt service - interest	-	-	-	-
Debt service - principal	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>470</u>	<u>169,776</u>	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(470)</u>	<u>(169,776)</u>	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(470)	(169,776)	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>(7,264)</u>	<u>(115,526)</u>	<u>(2,851)</u>	<u>(7,900)</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u><u>(7,734)</u></u>	<u><u>(285,302)</u></u>	<u><u>(2,851)</u></u>	<u><u>(7,900)</u></u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Non-major Funds - continued

<u>DEBT SERVICE FUNDS</u>			
<u>Total Capital Projects</u>	<u>Ambulance Service</u>	<u>Total Debt Service</u>	<u>Total Non-major</u>
147,565	-	-	863,796
-	-	-	105,520
-	-	-	1,525
-	-	-	330,382
-	-	-	<u>409,999</u>
147,565	-	-	1,711,222
52,405	-	-	293,560
2,619	-	-	72,337
-	-	-	141,569
-	-	-	102,528
-	-	-	254,785
117,841	-	-	734,573
-	-	-	65,994
-	-	-	<u>94,287</u>
<u>172,865</u>	-	-	<u>1,759,633</u>
<u>(25,300)</u>	-	-	<u>(48,411)</u>
(25,300)	-	-	(48,411)
<u>292,504</u>	<u>(17,728)</u>	<u>(17,728)</u>	<u>(109,223)</u>
<u>267,204</u>	<u>(17,728)</u>	<u>(17,728)</u>	<u>(157,634)</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Corrections -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	6,743	6,743	6,743	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 6,743	6,743	6,743	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - USDA Air Burner -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	61,893	61,893	61,893	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 61,893	61,893	61,893	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - FEMA -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(129,455)	(129,455)	(129,455)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (129,455)	(129,455)	(129,455)	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Emergency Medical Services -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 16,235	16,235	-	(16,235)
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	225	225
<b>TOTAL REVENUES</b>	16,235	16,235	225	(16,010)
<b>EXPENDITURES</b>				
General government				
Public safety	11,700	11,700	15,992	(4,292)
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	11,700	11,700	15,992	(4,292)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	4,535	4,535	(15,767)	(20,302)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	17,054	17,054	17,054	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 21,589	21,589	1,287	(20,302)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ (4,535)	(4,535)		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (15,767)	
<b>CHANGE IN:</b>				
Accounts payable				
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (15,767)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Fire Protection -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	1,525	1,525
Grant	104,000	104,000	117,175	13,175
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>104,000</b>	<b>104,000</b>	<b>118,700</b>	<b>14,700</b>
<b>EXPENDITURES</b>				
General government	-	-	1,901	(1,901)
Public safety	48,000	48,000	49,745	(1,745)
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	3,500	3,500	984	2,516
Interest	-	-	-	-
Debt service	-	-	7,290	(7,290)
<b>TOTAL EXPENDITURES</b>	<b>51,500</b>	<b>51,500</b>	<b>59,920</b>	<b>(8,420)</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>52,500</b>	<b>52,500</b>	<b>58,780</b>	<b>6,280</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>89,314</b>	<b>89,314</b>	<b>89,314</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 141,814</b>	<b>141,814</b>	<b>148,094</b>	<b>6,280</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ (52,500)</b>	<b>(52,500)</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 58,780</b>	
<b>CHANGE IN:</b>				
Accounts receivable			400	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 59,180</b>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Law Enforcement Protection -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	23,000	23,000	-	(23,000)
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>23,000</b>	<b>23,000</b>	<b>-</b>	<b>(23,000)</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	22,400	22,400	8,861	13,539
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>22,400</b>	<b>22,400</b>	<b>8,861</b>	<b>13,539</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>600</b>	<b>600</b>	<b>(8,861)</b>	<b>(9,461)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(23,365)</b>	<b>(23,365)</b>	<b>23,365</b>	<b>46,730</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (22,765)</b>	<b>(22,765)</b>	<b>14,504</b>	<b>37,269</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ (600)</b>	<b>(600)</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (8,861)</b>	
<b>CHANGE IN:</b>				
Accounts payable				
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (8,861)</b>	



VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Lodgers Tax Reserve -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 268,030	268,030	281,328	13,298
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	692	692
<b>TOTAL REVENUES</b>	268,030	268,030	282,020	13,990
<b>EXPENDITURES</b>				
General government	130,260	130,260	164,584	(34,324)
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	130,260	130,260	164,584	(34,324)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	137,770	137,770	117,436	(20,334)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	345,023	345,023	345,023	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 482,793	482,793	462,459	(20,334)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ (137,770)	(137,770)		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 117,436	
<b>CHANGE IN:</b>				
Accounts payable			(23,168)	
Accounts receivable			11,857	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ 106,125	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Public Works -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(64,801)	(64,801)	(64,801)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (64,801)	(64,801)	(64,801)	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			(1,421)	
Accounts receivable			2,971	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ 1,550	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Recreation -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	2,724	2,724
Licenses, permits, fees & fines	854	854	-	(854)
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>854</b>	<b>854</b>	<b>2,724</b>	<b>1,870</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	854	854	-	854
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>854</b>	<b>854</b>	<b>-</b>	<b>854</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>2,724</b>	<b>2,724</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>5,032</b>	<b>5,032</b>	<b>5,032</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 5,032</b>	<b>5,032</b>	<b>7,756</b>	<b>2,724</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ -</b>	<b>-</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 2,724</b>	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 2,724</b>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Teen Court -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	1,050	(1,050)
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	1,050	(1,050)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(1,050)	(1,050)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(8,314)	(8,314)	(8,314)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (8,314)	(8,314)	(9,364)	(1,050)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (1,050)	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (1,050)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Transportation -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	19,174	19,174
Other	<u>262,431</u>	<u>262,431</u>	<u>213,207</u>	<u>(49,224)</u>
<b>TOTAL REVENUES</b>	262,431	262,431	232,381	(30,050)
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	22,890	220,179	-	220,179
Highways and streets	107,214	107,214	254,785	(147,571)
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	69,100	-	64,709	(64,709)
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	199,204	327,393	319,494	7,899
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	137,533	137,533	-	(137,533)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>137,533</u>	<u>137,533</u>	<u>-</u>	<u>(137,533)</u>
<b>NET CHANGE IN FUND BALANCE</b>	200,760	72,571	(87,113)	(159,684)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>(186,554)</u>	<u>(186,554)</u>	<u>(186,554)</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>14,206</u>	<u>(113,983)</u>	<u>(273,667)</u>	<u>(159,684)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(200,760)</u>	<u>(72,571)</u>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (87,113)	
<b>CHANGE IN:</b>				
Accounts payable			(7,428)	
Accounts receivable			<u>3,151</u>	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ <u>(91,390)</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Transportation - Welfare to Work -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	619	619
<b>TOTAL REVENUES</b>	-	-	619	619
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	619	619
<b>FUND BALANCE, BEGINNING OF YEAR</b>	13,681	13,681	13,681	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 13,681	13,681	14,300	619
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 619	
<b>CHANGE IN:</b>				
Accounts payable			(2,620)	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (2,001)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Community Center -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 1,040,617	1,040,617	415,139	(625,478)
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,040,617</b>	<b>1,040,617</b>	<b>415,139</b>	<b>(625,478)</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	1,040,617	1,040,617	324,133	716,484
Interest	-	-	142,878	(142,878)
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,040,617</b>	<b>1,040,617</b>	<b>467,011</b>	<b>573,606</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(51,872)</b>	<b>(51,872)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(164,979)</b>	<b>(164,979)</b>	<b>(164,979)</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (164,979)</b>	<b>(164,979)</b>	<b>(216,851)</b>	<b>(51,872)</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ -</b>	<b>-</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (51,872)</b>	
<b>CHANGE IN:</b>				
Accounts payable			(16,605)	
Accounts receivable			3,065	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (65,412)</b>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Fire Donations -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 167,279	167,279	-	(167,279)
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>167,279</b>	<b>167,279</b>	<b>-</b>	<b>(167,279)</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	23,882	(23,882)
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>23,882</b>	<b>(23,882)</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>167,279</b>	<b>167,279</b>	<b>(23,882)</b>	<b>(191,161)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(12,506)</b>	<b>(12,506)</b>	<b>(12,506)</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 154,773</b>	<b>154,773</b>	<b>(36,388)</b>	<b>(191,161)</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ (167,279)</b>	<b>(167,279)</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (23,882)</b>	
<b>CHANGE IN:</b>				
Accounts receivable			<u>60,291</u>	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ 36,409</b>	



VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - EMS Donations -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	340	340	340	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 340	340	340	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Lodgers Tax Chamber -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	1,750	(1,750)
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	1,750	(1,750)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(1,750)	(1,750)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	-	(1,750)	(1,750)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (1,750)	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (1,750)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Street Project -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	301,453	301,453
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	10,774	10,774
<b>TOTAL REVENUES</b>	-	-	312,227	312,227
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	104,583	(104,583)
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	124,826	(124,826)
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	229,409	(229,409)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	82,818	82,818
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(379,211)	(379,211)	(379,211)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (379,211)	(379,211)	(296,393)	82,818
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 82,818	
<b>CHANGE IN:</b>				
Accounts payable			(64,200)	
Accounts receivable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ 18,618	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Back Basin Road -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	37,334	(37,334)
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	37,334	(37,334)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(37,334)	(37,334)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	-	(37,334)	(37,334)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (37,334)	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (37,334)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Special Revenue Fund - Fire Protection Facility -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			(24,152)	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (24,152)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Capital Projects Fund - HWY 434 Assessment -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	779,428	779,428
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	779,428	779,428
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	3,894,227	(3,894,227)
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	3,894,227	(3,894,227)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	4,509,246	4,509,246
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(594,395)	(594,395)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	3,914,851	3,914,851
<b>NET CHANGE IN FUND BALANCE</b>	-	-	800,052	800,052
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	49,391	49,391
<b>FUND BALANCES, ENDING</b>	\$ -	-	849,443	849,443
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 800,052	
<b>CHANGE IN:</b>				
Accounts receivable			(635,119)	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ 164,933	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - Public Safety Building -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	150,615	150,615
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	150,615	150,615
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	150,615	150,615
<b>FUND BALANCE, BEGINNING OF YEAR</b>	426,045	426,045	426,045	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 426,045	426,045	576,660	150,615
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 150,615	
<b>CHANGE IN:</b>				
Accounts receivable			(3,050)	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ 147,565	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - Forest Thinning -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	185,000	185,000	-	(185,000)
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>185,000</b>	<b>185,000</b>	<b>-</b>	<b>(185,000)</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	185,000	185,000	2,619	182,381
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>185,000</b>	<b>185,000</b>	<b>2,619</b>	<b>182,381</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(2,619)</b>	<b>(2,619)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>-</b>	<b>(2,619)</b>	<b>(2,619)</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ -</b>	<b>-</b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (2,619)</b>	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (2,619)</b>	



VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - MAP Grant -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	470	(470)
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	470	(470)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(470)	(470)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(7,264)	(7,264)	(7,264)	-
<b>FUND BALANCE, END OF YEAR</b>	<u>(7,264)</u>	<u>(7,264)</u>	<u>(7,734)</u>	<u>(470)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<u>\$ -</u>	<u>-</u>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (470)	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			<u>\$ (470)</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - Lagoon Cleanup -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	3,980,339	3,980,339	-	(3,980,339)
<b>TOTAL REVENUES</b>	3,980,339	3,980,339	-	(3,980,339)
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	3,315,560	3,315,560	13,404	3,302,156
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	3,315,560	3,315,560	13,404	3,302,156
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	664,779	664,779	-	664,779
<b>TOTAL OTHER FINANCING SOURCES</b>	664,779	664,779	-	664,779
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(13,404)	(13,404)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(115,526)	(115,526)	(115,526)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (115,526)	(115,526)	(128,930)	(13,404)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (13,404)	
<b>CHANGE IN:</b>			(156,372)	
Accounts payable				
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (169,776)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - Transit Facility -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	70,000	70,000	-	(70,000)
<b>TOTAL REVENUES</b>	70,000	70,000	-	(70,000)
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	70,000	70,000	-	70,000
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	70,000	70,000	-	70,000
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	(2,851)	(2,851)
<b>FUND BALANCE, END OF YEAR</b>	\$ -	-	(2,851)	(2,851)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	-
<b>CHANGE IN:</b>				
Accounts payable			-	-
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	-

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Capital Projects Fund - Capital Building Water Tank -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	25,000	-	(25,000)
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	25,000	-	(25,000)
<b>EXPENDITURES</b>				
General government	-	25,000	-	25,000
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	25,000	-	25,000
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(7,900)	(7,900)	(7,900)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (7,900)	(7,900)	(7,900)	-
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ -	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Debt Service Fund - Revenue Bonds -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	-	-	8,999	(8,999)
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	51,238	(51,238)
Debt service	69,299	69,299	55,271	14,028
<b>TOTAL EXPENDITURES</b>	69,299	69,299	115,508	(46,209)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	69,299	69,299	-	(69,299)
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	69,299	69,299	-	(69,299)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(115,508)	(115,508)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(691,071)	(691,071)	(691,071)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (691,071)	(691,071)	(806,579)	(115,508)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-	-	-
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (115,508)	
<b>CHANGE IN:</b>				
Accounts payable			-	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (115,508)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Debt Service Fund - Ambulance Service -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Licenses, permits and fees	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
General government	70,000	70,000	115,506	(45,506)
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	70,000	70,000	115,506	(45,506)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	70,000	70,000	-	(70,000)
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	70,000	70,000	-	(70,000)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(115,506)	(115,506)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	(17,728)	(17,728)	(17,728)	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (17,728)	(17,728)	(133,234)	(115,506)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (115,506)	
<b>CHANGE IN:</b>				
Accounts receivable			115,506	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Enterprise Fund - Waste Water  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Sales and services	\$ 557,612	559,612	449,024	(110,588)
Interest	-	-	-	-
Taxes	-	-	-	-
Other	1,920	1,920	-	(1,920)
<b>TOTAL REVENUES</b>	559,532	561,532	449,024	(112,508)
<b>EXPENDITURES</b>				
Operating expenditures	340,575	306,697	617,782	(311,085)
Debt service	-	-	-	-
Public safety	-	-	-	-
<b>TOTAL EXPENDITURES</b>	340,575	306,697	617,782	(311,085)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	266,000	-	-	-
Operating transfers out	484,524	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	(218,524)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	433	254,835	(168,758)	(423,593)
<b>NET ASSETS, BEGINNING OF YEAR</b>	96,905	96,905	96,905	-
<b>NET ASSETS, END OF YEAR</b>	\$ 97,338	351,740	(71,853)	(423,593)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ (433)	(254,835)		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ (168,758)	
<b>CHANGE IN:</b>				
Accounts payable			(64,039)	
Accrued expenses			(7,704)	
Depreciation			(301,821)	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ (542,322)	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Enterprise Fund - Solid Waste  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Sales and services	\$ 614,336	614,336	558,189	(56,147)
Interest	-	-	-	-
Taxes	83,639	83,639	86,555	2,916
Other	<u>3,875</u>	<u>3,875</u>	<u>1,363</u>	<u>(2,512)</u>
<b>TOTAL REVENUES</b>	701,850	701,850	646,107	(55,743)
<b>EXPENDITURES</b>				
Operating expenditures	478,086	511,802	597,493	(85,691)
Debt service	-	-	-	-
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	478,086	511,802	597,493	(85,691)
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	35,000	-	-	-
Operating transfers out	<u>269,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>(234,181)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,417)	190,048	48,614	(141,434)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>628,032</u>	<u>628,032</u>	<u>628,032</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	\$ <u>617,615</u>	<u>818,080</u>	<u>676,646</u>	<u>(141,434)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>10,417</u>	<u>(190,048)</u>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			\$ 48,614	
<b>CHANGE IN:</b>				
Accounts payable			(100,268)	
Accounts receivable			(705)	
Accrued expenses			3,473	
Principal payments on debt			(21,080)	
Depreciation			<u>(122,239)</u>	
<b>GAAP CHANGE IN FUND BALANCE</b>			\$ <u>(192,205)</u>	



VILLAGE OF ANGEL FIRE, NEW MEXICO

Statement of Revenues and Expenditures -  
Major Enterprise Fund - Water  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Sales and services	\$ 951,386	951,386	895,195	(56,191)
Interest	-	-	-	-
Taxes	-	-	-	-
Other	<u>100,000</u>	<u>100,000</u>	<u>1,560</u>	<u>(98,440)</u>
<b>TOTAL REVENUES</b>	<b>1,051,386</b>	<b>1,051,386</b>	<b>896,755</b>	<b>(154,631)</b>
<b>EXPENDITURES</b>				
Operating expenditures	734,670	611,985	618,818	(6,833)
Debt service	-	-	75,817	(75,817)
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>734,670</b>	<b>611,985</b>	<b>694,635</b>	<b>(82,650)</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>299,275</u>	<u>-</u>	<u>299,900</u>	<u>(299,900)</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>299,275</u></b>	<b><u>-</u></b>	<b><u>299,900</u></b>	<b><u>(299,900)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>17,441</b>	<b>439,401</b>	<b>(97,780)</b>	<b>(537,181)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>6,849,107</u></b>	<b><u>6,849,107</u></b>	<b><u>6,849,107</u></b>	<b><u>-</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ <u>6,866,548</u></b>	<b><u>7,288,508</u></b>	<b><u>6,751,327</u></b>	<b><u>(537,181)</u></b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ <u>(17,441)</u></b>	<b><u>(439,401)</u></b>		
<b>NON-GAAP CHANGE IN FUND BALANCE</b>			<b>\$ (97,780)</b>	
<b>CHANGE IN:</b>				
Accounts receivable			74,344	
Accrued expenses			(93,995)	
Depreciation			<u>(280,846)</u>	
<b>GAAP CHANGE IN FUND BALANCE</b>			<b>\$ <u>(398,277)</u></b>	

VILLAGE OF ANGEL FIRE, NEW MEXICO

Schedule of Changes in Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2008

	<u>Motor Vehicle Fund</u>	<u>Municipal Court Bond Fund</u>	<u>Total</u>
Assets, July 1, 2007	\$ 28,892	8,417	37,309
Increase	5,050	6,691	11,741
Decrease	<u>20,585</u>	<u>-</u>	<u>20,585</u>
Assets, June 30, 2008	\$ <u>13,357</u>	<u>15,108</u>	<u>28,465</u>
Liabilities, July 1, 2007	\$ 28,892	8,417	37,309
Increase	5,050	6,691	11,741
Decrease	<u>20,585</u>	<u>-</u>	<u>20,585</u>
Liabilities, June 30, 2008	\$ <u>13,357</u>	<u>15,108</u>	<u>28,465</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO

Schedule of Deposit and Investment Accounts

YEAR ENDED JUNE 30, 2008

Depository	Account Name	Type	Depository Balance	Reconciled Balance
<b>Deposit accounts:</b>				
International Bank	Operating Account	Checking	\$ 408,211	187,072
International Bank	CDBG Cash Account	Checking	100	100
International Bank	HWY 434 Infrastructure	Checking	214,324	214,324
International Bank	Payroll	Checking	-	-
International Bank	Fire Donations	Checking	-	-
International Bank	Ambulance Fund	Checking	340	340
International Bank	UB Customer Deposits	Checking	-	-
First National Bank	Certificate of Deposit	CD	<u>250,000</u>	<u>250,000</u>
Cash and cash equivalents			872,975	651,836
Petty cash	Petty cash	Cash	<u>-</u>	<u>400</u>
<b>Total deposit accounts</b>			872,975	652,236
<b>Investment accounts:</b>				
Bank of Albuquerque	NMFA-Supp. Indent.	U.S. Treas. Fund	121	121
Bank of Albuquerque	NMFA-Mini Pumper	U.S. Treas. Fund	45,269	45,269
Bank of Albuquerque	NMFA-Debt Service	U.S. Treas. Fund	105,845	105,845
Bank of Albuquerque	NMFA-Bond Series 2002a	U.S. Treas. Fund	40,297	40,297
Bank of Albuquerque	NMFA-Bond Series	U.S. Treas. Fund	84,779	84,779
Office of State Treasurer	LGIP Fund	Investment	<u>266,361</u>	<u>266,361</u>
<b>Total investment accounts</b>			<u>542,672</u>	<u>542,672</u>
<b>Total deposit and investment accounts - non-agency</b>			\$ <u>1,415,647</u>	<u>1,194,908</u>
<b>Agency funds cash accounts:</b>				
International Bank	Municipal Court		\$ 15,108	15,108
International Bank	Motor Vehicle		<u>8,801</u>	<u>5,302</u>
Cash and cash equivalents			23,909	20,410
Petty cash	MVD petty cash		<u>-</u>	<u>100</u>
<b>Total cash - agency funds</b>			\$ <u>23,909</u>	<u>20,510</u>

Schedule of Pledged Collateral

YEAR ENDED JUNE 30, 2008

Depository-Cash	Account Name	Type of Account	Bank Balance
International Bank	Operating Account	Checking	\$ 408,211
International Bank	CDBG Cash Account	Checking	100
International Bank	HWY 434 Infrastructure	Checking	214,324
International Bank	Payroll	Checking	-
International Bank	Fire Donations	Checking	-
International Bank	Ambulance Fund	Checking	340
International Bank	UB Customer Deposits	Checking	-
International Bank	Municipal Court	Checking	15,108
International Bank	Motor Vehicle	Checking	<u>8,801</u>
Total deposits in International Bank			646,884
Less FDIC coverage			<u>250,000</u>
Total uninsured public funds			396,884
50% collateral requirement (Section 6-10017)			198,442
<b>CD:</b>			
First National Bank	Certificate of Deposit	CD	<u>250,000</u>
Total deposits in First National Bank			250,000
Less FDIC coverage			<u>250,000</u>
Total uninsured public funds			-
50% collateral requirement (Section 6-10017)			-
Total pledged collateral required			<u>\$ 323,442</u>

	Cusip #	Maturity Date	Balances
International Bank	3133MUGP4	11/13/2009	\$ 25,111
	3133MUGP4	11/13/2009	75,997
	3133KF5T9	9/9/2011	414,900
	31339K4H4	12/10/2010	<u>180,663</u>
Total collateral			<u>\$ 696,671</u>

The custodian of the pledged securities for International Bank is the Federal Reserve Bank of Boston, in Boston, MA.

**YEAR ENDED JUNE 30, 2008**

<b>Joint Power Agreement</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
<b>Wild Fires</b>	Village of Angel Fire Town of Taos Village of Taos Ski Valley Village of Eagle Nest Town of Red River Village of Questa	Town of Taos	To control wild fires
<b>Emergency Medical Services</b>	Village of Angel Fire Town of Taos Village of Taos Ski Valley Village of Eagle Nest Town of Red River Village of Questa	Joint Responsibility	To provide emergency medical services
<b>Wildfire Suppression</b>	New Mexico Energy, Minerals & Natural Resources Dept. Village of Angel Fire	Village of Angel Fire	To provide wildfire suppression
<b>Refuse Collection</b>	Village of Angel Fire Colfax County	Joint Responsibility	To provide refuse collection services
<b>Airline Services</b>	Village of Angel Fire Colfax County	Joint Responsibility	Procurement of commercial commuter airline services

VILLAGE OF ANGEL FIRE, NEW MEXICO

Schedule of Joint Powers Agreements

<u>Beginning and Ending Dates</u>	<u>Total estimated project amount and amount applicable to Village</u>	<u>Amount Contributed by Village during fiscal year</u>	<u>Audit Responsibility</u>	<u>Fiscal agent and responsible reporting entity</u>
12/19/2001 until terminated	\$150 annually	\$150	Town of Taos	Town of Taos
8/29/2000 to 6/30/2009	None	None	Town of Red River	Town of Taos
10/21/2003 until terminated	None	None	State of New Mexico Energy, Minerals & Natural Resources Department	State of New Mexico Energy, Minerals & Natural Resources Department
3/20/2001 until terminated	None	None	Village of Angel Fire	Colfax County
FY03 with automatic renewal if funds are available	None	None	Village of Angel Fire	Colfax County

**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. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 31, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.



Mr. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

### **Internal Control Over Financial Reporting - continued**

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 a 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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 03-4, 03-9, 03-14, 04-3, 05-2, 07-2, 07-3, 07-4, 07-5 and 08-1 to be significant deficiencies in internal control over financial reporting.

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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 07-2 and 07-5 to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and are described in the accompanying schedule of findings and responses as items 03-6, 05-3, 05-4, 08-2 and 08-3.



Mr. Larry Leahy, Mayor and  
The Village Council  
Village of Angel Fire, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision, paragraphs 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and responses as items 03-1 and 04-1.

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Village Councilors, the Office of the State Auditor, the New Mexico Department of Finance and Administration, the New Mexico Legislature and applicable 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.

*Meyers + Company, LLC*

December 31, 2010

YEAR ENDED JUNE 30, 2008

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Village of Angel Fire, New Mexico (the Village).
2. There were five instances of noncompliance material to the financial statements disclosed during the audit of the Village.
3. There were ten significant deficiencies, of which two were material weaknesses, and one control deficiency disclosed during the audit of the financial statements and reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**03-1 DUE DATE OF AUDIT REPORT (Non-compliance)**

**Condition:** The June 30, 2008 audit report was not filed timely as required by State Auditor Rule NMAC 2.2.2.9.A. The report was received by the Office of the State Auditor on February 11, 2011.

**Criteria:** According to State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements are due by December 1 following the fiscal year-end, thus requiring the June 30, 2008 report to be filed by December 1, 2008.

**Cause:** The books and records were not reconciled until after the due date. Also, there was significant turnover of accounting staff during the period the audit was to be prepared.

**Effect:** The Village is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2008. The Village may not have the financial data needed to prepare proper budgets and plan for Village operations. The Village also does not have audited financial statements for use in borrowing, bonds and grant applications.

**Recommendation:** The Village should consider hiring an outside public accountant to help train the accounting staff, help reconcile the accounting records, and help with the year-end close and audit preparation.

**Management Response:** The Village of Angel Fire as has hired an outside CPA firm to get caught up with all audits that are currently overdue. While the Village acknowledges the finding, it has taken measures to get all accounting records up to date and properly reconciled. In addition, the Village is currently working to develop policies and procedures to ensure that books of account are properly maintained and reconciled on a timely basis.

**03-4 INADEQUATE SEGREGATION OF DUTIES (Significant Deficiency)**

**Condition:** As part of our documentation of the internal controls over the accounting functions, we found that the person responsible for reconciling the bank account is also capable of preparing checks, posting checks, mailing checks and making adjusting journal entries. This person has unlimited access to the accounting systems, check stock and cash receipt ledgers.

**Criteria:** Access to assets, recordkeeping and reconciliation duties should be segregated.

**Cause:** The Village has a small accounting staff.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Schedule of Findings and Responses - continued

YEAR ENDED JUNE 30, 2008

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

03-4 INADEQUATE SEGREGATION OF DUTIES (Significant Deficiency) - continued

**Effect:** The lack of segregation increases the possibility of asset misappropriation.

**Recommendation:** Employees preparing checks should not reconcile the bank statements, post to the general ledger or have the ability to post adjusting journal entries. Check stock should be kept by someone unrelated to the accounts payable function. In addition, the person opening the mail should be unrelated to the accounts receivable function.

**Management Response:** The Village acknowledges the finding and has taken action to correct the problem. We have added staff to the accounting department and have outlined a duty schedule that reasonably effectively segregates accounting duties.

03-6 BUDGET OVERAGES (Non-compliance)

**Condition:** During our analysis of budget to actual reports for the year ended June 30, 2008, we noted the following fund expenditures which exceeded the budgeted amounts:

MAP Grant	\$	470
Teen Court	\$	1,050
Lodgers Tax Chamber	\$	1,750
Emergency Medical Services	\$	4,292
Fire Protection	\$	8,420
Fire Donations	\$	23,882
Lodgers Tax Reserve	\$	34,324
Back Basin Road	\$	37,334
Revenue Bonds	\$	46,209
Water	\$	82,650
Solid Waste	\$	85,691
Ambulance Service	\$	115,506
Street Project	\$	229,409
Waste Water	\$	311,085
Highway 434 Assessment	\$	3,894,227

Additionally, the following funds had actual expenditures in excess of actual revenues, resulting in negative fund balances without sufficient cash balances to cover the deficit, as identified in Note 9 as well:

VILLAGE OF ANGEL FIRE, NEW MEXICO

Schedule of Findings and Responses - continued

YEAR ENDED JUNE 30, 2008

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

03-6 BUDGET OVERAGES (Non-compliance) - continued

Condition - continued:

Lodgers Tax Chamber	\$	1,750
Forest Thinning	\$	2,619
Transit Facility	\$	2,851
MAP Grant	\$	7,734
Capital Building Watertank	\$	7,900
Teen Court	\$	9,364
Ambulance Service	\$	17,728
Fire Protection	\$	24,152
Back Basin Road	\$	37,334
Public Works	\$	63,251
FEMA	\$	129,455
Community Center	\$	230,391
Transportation	\$	277,944
Lagoon Cleanup	\$	285,302
Street Project	\$	360,593
Revenue Bonds	\$	806,579

**Criteria:** State Statute 6-6-6 NMSA 1978 from HB 565 requires that local government spending does not exceed budgeted amounts at the fund level, unless the Commission approves a budget adjustment.

**Cause:** Failure or lack of budgetary controls.

**Effect:** The Village exceeded budgetary amounts for the funds specified and is not in compliance with the authority.

**Recommendation:** We recommend the Village develops and adheres to a system that tracks the budget effectively to ensure budgetary compliance.

**Management Response:** The Village acknowledges the finding and has taken action to correct the problem. A process has been established whereby monthly budget activity reports are created and reviewed comparing budget to actual on a monthly and year to date basis.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**03-9 UTILITY ACCOUNTS RECEIVABLE (Significant Deficiency)**

**Condition:** There are unapplied credits of approximately \$40,000 in the detail aging of accounts receivable. Additionally, there is no formal procedure for approving utility billing account adjustments before an adjustment is made to accounts receivable.

**Criteria:** State Auditor Rule 2.2.2.8.J and Section 12-6-5 NMSA 1978 require good accounting practices to be followed.

**Cause:** A monthly review of the detail aging of accounts receivable is not being performed. The Village does not have a policy governing the adjustment of accounts receivable.

**Effect:** The detailed accounts receivable aging report may be correct in total, but the aging schedule totals may not be. Some accounts that may appear past due may in fact not be. This issue may result in asset misappropriation.

**Recommendation:** Unapplied credits should be applied to open credit in accounts receivable. The Village should establish a policy requiring the monthly review and approval of the detail accounts receivable aging reports. The Village should also establish a policy governing the approval of accounts receivable adjustments.

**Management Response:** The Village acknowledges the finding and has taken corrective action. A process has been established that charges unapplied credit to open credit and we now require a monthly review and approval of the detailed accounts receivable aging reports. We now require approval by the accounting manager of account receivable adjustments.

**03-14 ACCOUNTING FOR PERMIT DEPOSITS (Significant Deficiency)**

**Condition:** The Village is not keeping aged details of building permit deposits, which amounted to approximately \$203,000. Permit deposits are forfeited by the customer after a stipulated period of time, at which point they are recorded as revenue by the Village. The Village cannot know if the permits should be recorded as revenue without knowing the age of the deposits.

**Criteria:** State Auditor Rule 2.2.2.8.J and Section 12-6-5 NMSA 1978 require good accounting practices to be followed.

**Cause:** Lack or failure of controls over the deposit recordkeeping, and lack of proper training on identifying accounting issues.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**03-14 ACCOUNTING FOR PERMIT DEPOSITS (Significant Deficiency) - continued**

**Effect:** The Village may be understating revenue from forfeited permit deposits, or may not know which customer is due a refund.

**Recommendation:** We recommend the Village start tracking the deposit by the means of aged detail. We also suggest the Village properly trains its accounting staff on identifying accounting issues.

**Management Response:** The Village acknowledges the finding and has taken corrective action. The Village has developed and maintains an aged permit detail and it is reviewed on a regular basis.

**04-1 DISASTER RECOVERY PLAN (Control Deficiency)**

**Condition:** The disaster recovery plan in place is inadequate for the size and operations of the Village. A disaster recovery plan should be a map for reestablishing operations after a disaster. This map should include details of the following, at minimum:

- What hardware and software are in place and which vendors may be used to replace the hardware and software.
- Potential off-site locations for running operations.
- Names and telephone numbers of critical operations personnel that should be contacted during a disaster.
- Backup and recovery procedures for data.
- The location of the off-site data backups.
- A detailed list of instructions to be followed in order to reestablish operations.

**Criteria:** Section 12-6-5 NMSA 1978 requires the annual financial and compliance audit of agencies to detail any violation of law or good accounting practices found by the audit. An adequate disaster recovery plan is a requirement for continuing operations after a disaster.

**Cause:** The Village had not developed a detailed disaster recovery plan.

**Effect:** The Village may not be able to continue operations in the event of a disaster.

**Recommendation:** We recommend that the Village prepare a detailed disaster recovery plan.

**Management Response:** The Village is in the process of identifying the necessary components in a disaster recovery plan and has implemented some of the identified components already.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**04-3 TRAVEL AND PER DIEM DISBURSEMENTS (Significant Deficiency)**

**Condition:** During testwork over per diem disbursements, we noted the following:

- -Two out of 25 disbursement packets did not have receipts to accompany the expenditure for which an employee was being reimbursed.
- -Two out of 25 disbursements included advances made to employees for 100% of the estimated trip expense.

**Criteria:** In accordance with the NMAC Mileage and Per Diem Act Section 2.42.2.9, receipts are supposed to accompany the reimbursement packet when employees are reimbursed for actual expenses. Similarly, section 2.42.2.10 states advances up to 80% may be provided upon written request accompanied by a travel voucher.

**Cause:** Lack or failure of controls surrounding the proper review process of per diem reimbursements.

**Effect:** Non compliance with the NMAC Travel and Mileage Act.

**Recommendation:** We recommend the Village review travel and per diem processing more thoroughly to ensure errors are caught and corrected before final checks are processed. The Village should also ensure proper supporting documentation is obtained for all travel reimbursements.

**Management Response:** The Village acknowledges the finding and has taken corrective action. We instituted a new review and approval process and afforded training to our governing body and accounting personnel.

**05-2 WATER DEPOSIT LIABILITY (Significant Deficiency)**

**Condition:** The Village is not keeping a detailed listing of water deposits.

**Criteria:** State Auditor Rule 2.2.2.8.J and Section 12-6-5 NMSA 1978 require good accounting practices to be followed. A detailed ledger of water deposits should be kept so that the Village knows what its liability is for deposits.

**Cause:** Lack of personnel who are able to perform reconciliation functions.

**Effect:** The Village does not track deposits by customer accounts, which may not allow the Village to know the liability as related to the deposits.



YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**05-2 WATER DEPOSIT LIABILITY (Significant Deficiency) - continued**

**Recommendation:** The Village should implement the deposit reconciliation process and keep a detailed water deposit register.

**Management Response:** The Village acknowledges the finding and has taken corrective action. We currently maintain a water deposit register and will implement the deposit reconciliation process.

**05-3 ANNUAL CAPITAL ASSET INVENTORY (Non-compliance)**

**Condition:** The Village did not perform an annual physical inventory of capital assets.

**Criteria:** Section 12-6-10, NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year.

**Cause:** Lack of awareness of the State requirements.

**Effect:** The Village may not be accounting for the fixed assets accurately. Not taking a physical inventory count may lead to asset misappropriation.

**Recommendation:** The Village should perform a yearly physical capital asset inventory.

**Management Response:** The Village acknowledges the finding and continues to work on the implementation of our capital asset plan.

**05-4 UNBILLED WATER RECEIVABLE (Non-compliance)**

**Condition:** The Village does not have a process to track water delivered to customers but not billed as of month-end. The date between a customer's meter reading and the date the billing is processed ranges from one week to three weeks. The water pumped during this time is billed in the next month's billing. The Village should record a receivable and revenue for the estimated unbilled receivable at month-end. Because there is not a process in place, the amount unbilled is undeterminable.

**Criteria:** Generally Accepted Accounting Principals and the accrual method of accounting require assets and revenues to be recorded when they are earned, regardless of when the cash flow occurs. The enterprise funds report financial transactions on the full accrual method. Therefore, the unbilled receivable and related revenue should be estimated and recorded at month-end.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**05-4 UNBILLED WATER RECEIVABLE (Non-compliance) - continued**

**Cause:** This was a function performed by the auditor in prior years. Village staff was not aware of the requirement to accrue a receivable and revenue for unbilled water.

**Effect:** The Village has understated assets and revenues in the enterprise funds at year-end.

**Recommendation:** The Village should develop a method to track and record the unbilled receivable at month-end.

**Management Response:** The Village acknowledges the finding and continues to work on the implementation of our capital asset plan.

**07-2 UNLOCATED ACCOUNTING RECORDS (Material Weakness)**

**Condition:** The Village was not able to locate records requested for tax revenue testwork. The amount of revenue for which the back up documentation was not provided totaled approximately \$1,100,000.

**Criteria:** Manual of Model Accounting Practices Section 6-5-2, NMSA 1978 requires agencies under its authority to establish the requirement that all deposits be validated or receipted to safeguard cash and to allow independent verification.

**Cause:** Failure or lack of internal controls over record keeping as prescribed by the Accounting Manual.

**Effect:** Improper upkeep of supporting documentation can cause alterations to the accounting records and lead to financial statements being materially inaccurate.

**Recommendation:** We recommend the Village implements policies to ensure that records and documentation are maintained adequately to support balances per accounting records.

**Management Response:** The Village acknowledges this finding and continues to afford additional training to staff and to enhance critical document procedures.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**07-3 JOURNAL ENTRY PROCESS (Significant Deficiency)**

**Condition:** It was noted during the audit testwork performed on internal controls that the Village does not have a process in place for review/approval of journal entries. One individual determines accounts to be adjusted, makes the adjustment and files away the support.

**Criteria:** State Auditor Rule 2.2.2.8.J and Section 12-6-5 NMSA 1978 require good accounting practices be followed and adequate accounting records be maintained. This includes a review process of all journal entries by a level of supervision above the preparer of the journal entry.

**Cause:** Lack of adequate segregation of duties.

**Effect:** Without proper journal entries review, accounting records may not be accurate.

**Recommendation:** We recommend the Village implement policies and procedures to ensure journal entries are reviewed by someone other than the preparer before they are recorded.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We have established a process for journal entries that includes authorization sheets that reflect prepared by, reviewed by, approved by and posted by levels of authorization.

**07-4 INADEQUATE ACCOUNTING RECORDS (Significant Deficiency)**

**Condition:** During audit testwork performed on cash, we discovered approximately \$70,000 of cash bank deposits that were not recorded on the General Ledger.

**Criteria:** State Auditor Rule 2.2.2.8.J and Section 12-6-5 NMSA 1978 require good accounting practices be followed and adequate accounting records be maintained, which includes recording cash activity immediately for safeguarding purposes.

**Cause:** Lack or failure of controls surrounding proper recordkeeping.

**Effect:** The Village may understate its assets and make the cash unrecorded on the General Ledger more susceptible to misappropriation.

**Recommendation:** We recommend the Village puts controls in place to ensure that all cash is recorded timely on the General Ledger.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We have updated our procedures including the proper reconciliation of all balance sheet accounts.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**07-5 ACCOUNTING FOR ASSESSMENT REVENUE AND CONSTRUCTION IN PROGRESS (Material Weakness)**

**Condition:** During our testwork, we discovered a cash account related to assessment fees collected from property owners in association with the HWY 434 Infrastructure project. However, the activity related to construction in progress was not being recorded. The ending balance in this account was \$214,324, the associated revenue was approximately \$230,000, debt proceeds were approximately \$4,500,000 and the expenses were approximately \$4,500,000.

**Criteria:** Generally Accepted Accounting Principles state revenue should be recorded when it is earned and realized or realizable. State owned property, plant and equipment should be acquired in accordance with State Laws and rules. Additionally, State Audit Rule 2.2.2.8.J requires the Village maintain adequate accounting records, which includes revenue and debt reconciliations.

**Cause:** Lack or failure of controls over proper record keeping.

**Effect:** Accounting records were not accurate.

**Recommendation:** We recommend the Village implement a reconciliation process surrounding cash collections and disbursements to ensure transactions are being recorded accurately.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We have tightened our financial controls and implemented a reconciliation process surrounding cash collections and disbursements.

**8-1 COMPLETENESS OF CERTAIN LIABILITY ACCOUNTS (Significant Deficiency)**

**Condition:** It was noted during testwork performed on compensated absences liability that some full-time employees who were on the schedule in prior years and are still employed by the Village in fiscal year 2008 were not included in the schedule provided to us.

**Criteria:** State Auditor Rule 2.2.2.8.J and section 12-6-5 NMSA 1978 require good accounting practices to be followed.

**Cause:** Failure or lack of controls over the accounting system that keeps track of the payroll related liability.

**Effect:** This issue may cause the Village to understate its liability related to compensated absences.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**8-1 COMPLETENESS OF CERTAIN LIABILITY ACCOUNTS (Significant Deficiency) - continued**

**Recommendation:** We recommend implementation of controls over proper tracking of compensated absences liability.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We have controls in place and have reemphasized their importance to our staff.

**8-2 TIMELINESS OF DUE TO/DUE FROM REVERSALS (Non-compliance)**

**Condition:** Some interfund transfers on the Village remained unchanged from FY 2007 to FY 2008.

**Criteria:** Section 6-5-2, NMSA 1978 states that entities under its jurisdiction should properly categorize cash transfers to reflect financial events being recorded in the financial records. Since the interfund transactions are classified on the financial statements as current, the balances must be reversed within one year.

**Cause:** Lack of knowledge or training regarding model accounting practices of the state.

**Effect:** Accounting personnel may be unaware of the requirements of the state, and may therefore be in non-compliance with such.

**Recommendation:** We recommend the Village properly trains its accounting personnel on the requirements of the state code.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We are affording additional training to our staff and working with an outside advisor.

**8-3 PAYROLL AUTHORIZATION (Non-compliance)**

**Condition:** During internal control test work, it was discovered that one individual did not have a leave authorization form either in her personnel file or with her timesheet. Sixteen hours of leave were paid to this employee. We also noted that two individuals did not have a supervisor's signature on their timesheets.

**Criteria:** Standard accounting practices require supervisor approval of all payroll related transactions.

YEAR ENDED JUNE 30, 2008

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**8-3 PAYROLL AUTHORIZATION (Non-compliance) - continued**

**Cause:** Lack or failure of controls surrounding payroll authorization process.

**Effect:** Employees may be inaccurately reimbursed.

**Recommendation:** The Village should follow the process whereby all payroll-related transactions are properly authorized.

**Management Response:** The Village acknowledges this finding and has taken corrective action. We have the appropriate processes in place and have reemphasized the necessity of following it to the letter.

VILLAGE OF ANGEL FIRE, NEW MEXICO

Summary Schedule of Prior Year Audit Findings

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

- 03-1 Due Date of Audit Report (Non-compliance) – Repeated
- 03-2 Filing of Budget Information with the Department of Finance and Administration (Non-compliance) – Resolved
- 03-4 Inadequate Segregation of Duties (Significant Deficiency) – Repeated
- 03-5 Intercept Revenue (Significant Deficiency) – Resolved
- 03-6 Budget Overage (Non-compliance) – Repeated and Modified
- 03-9 Utility Accounts Receivable (Significant Deficiency) – Repeated
- 03-13 Bank Reconciliations (Significant Deficiency) – Resolved
- 03-14 Accounting for Permit Deposits (Significant Deficiency) – Repeated
- 04-1 Disaster Recovery Plan (Control Deficiency) – Repeated
- 04-3 Travel and Per Diem Disbursements (Significant Deficiency) – Repeated and Modified
- 05-2 Water Deposit Liability (Significant Deficiency) – Repeated
- 05-3 Annual Capital Asset Inventory (Non-compliance) – Repeated
- 05-4 Unbilled Water Receivable (Non-compliance) – Repeated
- 05-6 Accounting for Agency Funds (Significant Deficiency) – Resolved
- 07-1 Untimely Deposits (Non-compliance) – Resolved
- 07-2 Unlocated Account Records (Material Weakness) – Repeated and Modified
- 07-3 Journal Entry Process (Significant Deficiency) – Repeated and Modified
- 07-4 Inadequate Accounting Records (Significant Deficiency) – Repeated and Modified
- 07-5 Accounting for Assessment Revenue and Construction in Progress (Material Weakness) – Repeated and Modified

## VILLAGE OF ANGEL FIRE, NEW MEXICO

### Exit Conference

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An exit conference was held with the Village on September 13, 2010. The conference was held at the Village Hall. In attendance were:

#### VILLAGE OF ANGEL FIRE, NEW MEXICO

Stuart Hamilton, Mayor  
Larry Leahy, Administrator  
Dan Walker, Councilor

#### MEYNNERS + COMPANY, LLC

Georgie Ortiz, CPA, CGFM, Principal  
Raul Anaya, CPA, CGFM, Manager  
Tasha Bochkova, CPA, Staff

#### PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report.