

VILLAGE OF ANGEL FIRE, NEW MEXICO
Village of Angel Fire, New Mexico

FINANCIAL STATEMENTS
June 30, 2009

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VILLAGE OF ANGEL FIRE, NEW MEXICO
OFFICIAL ROSTER
June 30, 2009

Mayor

Larry Leahy

Mayor Pro-Tem

Chuck Howe

Council

Stuart Hamilton
Deborah May
Al Lott

Village Administrator

Melissa Vossmer

Village Clerk

Lisa Sanchez

Independent Auditor's Report

Mr. Stuart Hamilton, 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 aggregate remaining fund information, and the budgetary comparisons for the general fund and the major special revenue fund of the Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2009. We also have audited the financial statements of each of the Village's non-major governmental funds and the budgetary comparisons for the major debt service funds and other non-major funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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. 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.

The Village's records for the budget to actual statements were not adequate for all of the Village's funds. As a result, it was impracticable to extend our procedures sufficiently to determine if the budget to actual statements and related budget to GAAP reconciliations are correct.

In our opinion, except for the budget to actual statements, as noted in the preceding paragraph, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the non-major governmental funds of the Village as of June 30, 2009 and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 19 of the financial statements, the Village financial position has been strained by the economy and potentially could have a future negative impact. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, 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 4 through 8 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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.

Clifton Gunderson LLP

Albuquerque, New Mexico
December 28, 2011

**VILLAGE OF ANGEL FIRE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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 ended June 30, 2009.

Financial Highlights

In fiscal year 2009, the Village experienced increased tourism and operations. This resulted in slightly higher gross receipts taxes realized for the year. Conversely, the Village continued spending 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 2009 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 thousand people even though the full time residency is one 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.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

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 other individual governmental funds classified as Special Revenue funds, Debt Service funds and Capital Projects funds. Information for the General fund, the Community Center the Revenue Bonds and Transit Facility, 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 18. 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.

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 \$13.8 million. The net asset category, invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt, is at a positive \$13.5 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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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, 2009 and 2008.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Assets:						
Current and other assets	\$ 273,688	\$ 163,257	\$ 1,468,628	\$ 1,740,159	\$ 1,742,316	\$ 1,903,416
Capital assets, net	<u>16,758,490</u>	<u>16,244,128</u>	<u>13,213,693</u>	<u>13,045,539</u>	<u>29,972,183</u>	<u>29,289,667</u>
Total assets	<u>\$17,032,178</u>	<u>\$ 16,407,385</u>	<u>\$14,682,321</u>	<u>\$ 14,785,698</u>	<u>\$31,714,499</u>	<u>\$31,193,083</u>
Liabilities:						
Current liabilities	\$ 1,578,759	\$ 1,128,881	\$ 808,285	\$ 649,009	\$ 2,387,044	\$ 1,777,890
Long-term liabilities	<u>7,616,222</u>	<u>6,840,814</u>	<u>7,901,786</u>	<u>7,695,449</u>	<u>15,518,008</u>	<u>14,536,263</u>
Total liabilities	9,194,981	7,969,695	8,710,071	8,344,458	17,905,052	16,314,153
Net assets:						
Invested in capital assets, net of related debt	8,583,904	9,015,427	4,926,227	5,350,090	13,510,131	14,365,517
Restricted	-	-	125,105	15,781	125,105	15,781
Unrestricted	<u>(746,707)</u>	<u>(577,737)</u>	<u>920,918</u>	<u>1,075,369</u>	<u>174,211</u>	<u>497,632</u>
Total net assets	<u>7,837,197</u>	<u>8,437,690</u>	<u>5,972,250</u>	<u>6,441,240</u>	<u>13,809,447</u>	<u>14,878,930</u>
Total liabilities and net assets	<u>\$17,032,178</u>	<u>\$ 16,407,385</u>	<u>\$14,682,321</u>	<u>\$ 14,785,698</u>	<u>\$31,714,499</u>	<u>\$ 31,193,083</u>

The significant change in long-term liabilities for fiscal year 2009 as compared to fiscal year 2008 can be attributed to additional debt that was incurred during the fiscal year to aid the Village in capital project activity.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Changes in Net Assets

Table A-2 summarizes the Village's changes in net assets for fiscal years ended June 30, 2009 and 2008. Governmental activities during fiscal year 2009 increased the Village's net assets by approximately \$9,166.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
Revenues:						
Program revenues:						
Charges for services	\$ 793,140	\$ 1,108,914	\$2,292,763	\$ 1,902,001	\$3,085,903	\$ 3,010,915
Operating grants and contributions	372,730	242,468	-	-	372,730	242,468
Capital grants and contributions	1,511,857	220,527	-	-	1,511,857	220,527
General revenues:						
Gross receipts taxes	1,855,714	1,687,286	45,951	127,078	1,901,665	1,814,364
Property taxes	1,158,817	1,469,315	-	-	1,158,817	1,469,315
Other taxes	686,989	648,425	-	-	686,989	648,425
Investment income	<u>2,224</u>	<u>28,126</u>	<u>-</u>	<u>1,560</u>	<u>2,224</u>	<u>29,686</u>
Total revenues	6,381,471	5,405,061	2,338,714	2,030,639	8,720,185	7,435,700
Operating transfers, net	167,070	299,900	(167,070)	(299,900)	-	-
Expenses:						
General government	3,699,789	4,591,829	-	-	3,699,789	4,591,829
Public safety	764,729	547,502	-	-	764,729	547,502
Highways and streets	713,289	151,190	-	-	713,289	151,190
Culture and recreation	1,195	109,496	-	-	1,195	109,496
Public transportation	253,369	272,102	-	-	253,369	272,102
Economic and physical development	690,118	2,640	-	-	690,118	2,640
Interest on long-term debt	416,886	139,704	-	-	416,886	139,704
Wastewater	-	-	843,420	927,307	843,420	927,307
Solid waste	-	-	775,562	866,770	775,562	866,770
Water	-	-	<u>1,021,652</u>	<u>1,069,466</u>	<u>1,021,652</u>	<u>1,069,466</u>
Total expenses	<u>6,539,375</u>	<u>5,814,463</u>	<u>2,640,634</u>	<u>2,863,543</u>	<u>9,180,009</u>	<u>8,678,006</u>
Increase (decrease) in net assets	<u>\$ 9,166</u>	<u>\$ (109,502)</u>	<u>\$(468,990)</u>	<u>\$(1,132,804)</u>	<u>\$(459,824)</u>	<u>\$(1,242,306)</u>

The Village's revenues increased \$1,284,485 from the previous fiscal year. The Village experienced an increase in capital grants and contributions along with a decrease in charges for services. Total expenditures decreased significantly. The Village had an increase in finished projects during the year, so expenses associated with those projects decreased. Total expenses increased by \$502,003.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

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 measures 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 a combined ending fund balance deficit of \$630,025.

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 \$3,700,387 and actual revenues received were \$3,636,210, which is a negative variance of \$64,177. This variance is mainly attributed to the decrease of projected tax revenue. The Village typically receives 95% of the current year taxes during the fiscal year with the remaining amount collected in subsequent years. Throughout the year, management reduced spending as deemed necessary to stay in line with changing GRT receipts throughout the year.

The General Fund Budgeted Expenditures had a negative variance of \$629,602. The variance is attributable to an increase in attorney fees associated with a lawsuit that occurred during the year over a construction project. Additionally, there was an increase in capital asset purchases that were not budgeted for.

Capital Assets

For fiscal year 2009, there were approximately \$2.3 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 \$8.2 million in bonds and notes outstanding for governmental activities. This represents a significant increase from the prior year as the Village borrowed approximately \$1.8 million to aid in construction projects and to purchase 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

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VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 884,617	\$ 117,370	\$ 1,001,987
Receivables:			
Taxes:			
Property	24,292	5,226	29,518
Gross receipts	272,613	-	272,613
Lodgers	21,380	-	21,380
Intergovernmental	24,152	-	24,152
Accounts receivable, net of allowance	-	259,254	259,254
Restricted cash	-	125,105	125,105
Internal balances	(961,673)	961,673	-
Due from agency fund	8,307	-	-
Capital assets, net of accumulated depreciation	16,758,490	13,213,693	29,972,183
LIABILITIES			
Accounts payable	\$ 672,262	\$ 148,654	\$ 820,916
Accrued compensation and benefits	57,219	22,176	79,395
Gross receipts tax payable	-	42,276	42,276
Interest payable	81,948	150,216	232,164
Deposits payable	172,756	-	172,756
Other liabilities	1,476	41,107	42,583
Compensated absences, due in one year	24,314	16,317	40,631
Long-term liabilities, due in one year	568,784	387,539	956,323
Noncurrent liabilities:			
Compensated absences, due in more than one year	10,420	1,859	12,279
Long-term liabilities, due in more than one year	7,605,802	7,899,927	15,505,729
Total liabilities	9,194,981	8,710,071	17,905,052
NET ASSETS			
Invested in capital assets, net of related debt	8,583,904	4,926,227	13,510,131
Restricted for:			
Grant expenditures	-	125,105	125,105
Unrestricted	(746,707)	920,918	174,211
TOTAL NET ASSETS	\$ 7,837,197	\$ 5,972,250	\$ 13,809,447

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

Functions/Programs	Expenses	Program	
		Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES			
General government	\$ 3,699,789	\$ 479,173	\$ 60,000
Public safety	764,729	99,104	312,730
Highways and streets	713,289	92,438	-
Culture and recreation	1,195	155	-
Public transportation	253,369	32,835	-
Economic and physical development	690,118	89,435	-
Interest on long-term debt	416,886	-	-
Total governmental activities	6,539,375	793,140	372,730
BUSINESS-TYPE ACTIVITIES			
Total business-type activities	2,640,634	2,292,763	-
TOTAL PRIMARY GOVERNMENT	\$ 9,180,009	\$ 3,085,903	\$ 372,730

Revenue	Net (Expense) Revenue and Changes in Net Assets		
Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
\$ 1,246,266	\$ (1,914,350)	\$ -	\$ (1,914,350)
-	(352,895)	-	(352,895)
-	(620,851)	-	(620,851)
265,591	264,551	-	264,551
-	(220,534)	-	(220,534)
-	(600,683)	-	(600,683)
-	(416,886)	-	(416,886)
<u>1,511,857</u>	<u>(3,861,648)</u>	<u>-</u>	<u>(3,861,648)</u>
<u>-</u>	<u>-</u>	<u>(347,871)</u>	<u>(347,871)</u>
<u>\$ 1,511,857</u>	<u>(3,861,648)</u>	<u>(347,871)</u>	<u>(4,209,519)</u>
<u>General Revenues</u>			
Taxes:			
Franchise	390,179	-	390,179
Gasoline	22,196	-	22,196
Gross receipts	1,855,714	45,951	1,901,665
Property	1,158,817	-	1,158,817
Lodgers	228,945	-	228,945
Cigarette	3,569	-	3,569
Motor vehicle	42,100	-	42,100
Interest	2,224	-	2,224
Total general revenues	<u>3,703,744</u>	<u>45,951</u>	<u>3,749,695</u>
Operating transfers, net	<u>167,070</u>	<u>(167,070)</u>	<u>-</u>
Change in net assets	9,166	(468,990)	(459,824)
Beginning net assets	8,437,690	6,441,240	14,878,930
Restatement	<u>(609,659)</u>	<u>-</u>	<u>(609,659)</u>
Beginning net assets, restated	<u>7,828,031</u>	<u>6,441,240</u>	<u>14,269,271</u>
Ending net assets	<u>\$ 7,837,197</u>	<u>\$ 5,972,250</u>	<u>\$ 13,809,447</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	Major				Non-major Governmental Funds	Total Governmental Funds
	101 General	250/312 Community Center	402 Revenue Bonds	320/321 Transit Facility		
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ 100	\$ 884,517	\$ 884,617
Receivables:						
Taxes:						
Property	-	-	-	-	24,292	24,292
Gross receipts	251,751	-	-	-	20,862	272,613
Lodgers	-	-	-	-	21,380	21,380
Gas	-	-	-	-	-	-
Intergovernmental	-	-	-	-	24,152	24,152
Due from agency fund	8,307	-	-	-	-	8,307
Due from other funds	752,449	582,129	-	-	1,663,340	2,997,918
TOTAL ASSETS	\$ 1,012,507	\$ 582,129	\$ -	\$ 100	\$ 2,638,543	\$ 4,233,279
Accounts payable	\$ 290,199	\$ 192,941	\$ 34,649	\$ -	\$ 154,473	\$ 672,262
Accrued compensation and benefits	57,219	-	-	-	-	57,219
Deposits payable	172,756	-	-	-	-	172,756
Other liabilities	-	-	-	-	1,476	1,476
Due to other funds	1,030,027	428,429	806,579	401,102	1,293,454	3,959,591
Total liabilities	1,550,201	621,370	841,228	401,102	1,449,403	4,863,304
FUND BALANCES						
Unreserved, undesignated reported in:						
General fund	(537,694)	-	-	-	-	(537,694)
Debt service	-	-	(841,228)	-	(17,728)	(858,956)
Special revenue funds	-	(39,241)	-	-	415,952	376,711
Capital projects funds	-	-	-	(401,002)	790,916	389,914
Total fund balances (deficit)	(537,694)	(39,241)	(841,228)	(401,002)	1,189,140	(630,025)
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,012,507	\$ 582,129	\$ -	\$ 100	\$ 2,638,543	\$ 4,233,279

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2009

TOTAL FUND DEFICIT - GOVERNMENTAL FUNDS	
(GOVERNMENTAL FUNDS BALANCE SHEET)	\$ (630,025)

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.

Capital assets	23,797,379
Less accumulated depreciation	<u>(7,038,889)</u>

Total capital assets	16,758,490
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Long-term and other liabilities at year end consist of:

Debt (bonds, notes and capital leases)	(8,174,586)
Interest payable	(81,948)
Compensated absences payable	<u>(34,734)</u>

Total long-term and other liabilities	<u>(8,291,268)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	
(STATEMENT OF NET ASSETS)	<u>\$ 7,837,197</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Major				Non-major Governmental Funds	Total Governmental Funds
	101 General	250/312 Community Center	402 Revenue Bonds	320/321 Transit Facility		
REVENUES						
Taxes	\$ 3,103,882	\$ -	\$ -	\$ -	\$ 597,638	\$ 3,701,520
Licenses, permits, fees and fines	130,820	-	-	-	244,847	375,667
Interest	2,224	-	-	-	-	2,224
Grants	180,452	1,024,078	-	224,691	455,366	1,884,587
Other	218,832	19,301	-	-	179,340	417,473
Total revenues	<u>3,636,210</u>	<u>1,043,379</u>	<u>-</u>	<u>224,691</u>	<u>1,477,191</u>	<u>6,381,471</u>
EXPENDITURES						
Current:						
General government	2,872,464	-	34,035	-	65,944	2,972,443
Public Safety	507,697	-	-	-	107,075	614,772
Economic and physical development	10,539	544,252	-	-	-	554,791
Debt Service:						
Principal	18,322	181,299	111,623	257,753	340,283	909,280
Interest and other charges	8,964	1,918	42,835	10,592	270,629	334,938
Capital outlay	468,133	73,727	-	728,106	1,054,176	2,324,142
Total expenditures	<u>4,455,892</u>	<u>802,157</u>	<u>188,493</u>	<u>996,451</u>	<u>2,045,438</u>	<u>8,488,431</u>
Excess (deficiency) of revenues over (under) expenditures	(819,682)	241,222	(188,493)	(771,760)	(568,247)	(2,106,960)
OTHER FINANCING SOURCES (USES)						
Proceeds from the issuance of debt	374,412	-	-	498,434	982,319	1,855,165
Operating transfers in	1,998,800	26,739	153,844	-	808,644	2,988,027
Operating transfers out	(2,295,813)	(76,811)	-	(124,825)	(323,508)	(2,820,957)
Total other financing sources (uses)	<u>77,399</u>	<u>(50,072)</u>	<u>153,844</u>	<u>373,609</u>	<u>1,467,455</u>	<u>2,022,235</u>
NET CHANGE IN FUND BALANCES	(742,283)	191,150	(34,649)	(398,151)	899,208	(84,725)
BEGINNING FUND BALANCES (DEFICIT)	<u>204,589</u>	<u>(230,391)</u>	<u>(806,579)</u>	<u>(2,851)</u>	<u>289,932</u>	<u>(545,300)</u>
ENDING FUND BALANCES (DEFICIT)	<u>\$ (537,694)</u>	<u>\$ (39,241)</u>	<u>\$ (841,228)</u>	<u>\$ (401,002)</u>	<u>\$ 1,189,140</u>	<u>\$ (630,025)</u>

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

**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
Year Ended June 30, 2009**

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES)	\$ (84,725)
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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.

Excess of capital outlay over depreciation expense	1,124,021
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets.	(1,855,165)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	909,280
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as method, and not the modified accrual method.	<u>(84,245)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (STATEMENT OF ACTIVITIES)	<u>\$ 9,166</u>

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

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, 2009

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,376,540	\$ 3,376,540	\$ 3,103,882	\$ (272,658)
Licenses, permits, fees & fines	162,347	162,347	130,820	(31,527)
Interest	-	-	2,224	2,224
Grants	-	-	180,452	180,452
Other	161,500	161,500	218,832	57,332
Total revenues	3,700,387	3,700,387	3,636,210	(64,177)
CURRENT EXPENDITURES				
Culture and recreation	15,352	68,777	-	68,777
Economic and physical development	152,449	142,929	10,539	132,390
Capital outlay	71,686	154,970	468,133	(313,163)
Interest	-	-	8,964	(8,964)
Debt service	-	-	18,322	(18,322)
Total expenditures	3,893,277	3,943,110	4,572,712	(629,602)
OTHER FINANCING SOURCES				
Debt proceeds	-	-	374,412	374,412
Operating transfers in	283,929	283,929	1,998,800	1,714,871
Operating transfers out	-	-	(2,295,813)	(2,295,813)
Total other financing sources	283,929	283,929	77,399	(206,530)
NET CHANGE IN FUND BALANCE	\$ 91,039	\$ 41,206	(859,103)	\$ (900,309)
CHANGE IN:				
Accounts receivable			299,678	
Accounts payable			(182,858)	
GAAP CHANGE IN FUND BALANCE			\$ (742,283)	

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

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, 2009

	COMMUNITY CENTER			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	1,024,078	1,024,078
Other	-	-	19,301	19,301
Total revenues	-	-	1,043,379	1,043,379
CURRENT EXPENDITURES				
Culture and recreation	-	-	961	(961)
Economic and physical development	1,009,000	1,009,000	351,198	657,802
Capital outlay	-	-	73,727	(73,727)
Interest	-	-	1,918	(1,918)
Debt service	-	-	181,299	(181,299)
Total expenditures	1,009,000	1,009,000	609,103	399,897
OTHER FINANCING SOURCES				
Operating transfers in	-	-	26,739	26,739
Operating transfers out	-	-	(76,811)	(76,811)
Total other financing sources	-	-	(50,072)	(50,072)
NET CHANGE IN FUND BALANCE	<u>\$ (1,009,000)</u>	<u>\$ (1,009,000)</u>	384,204	<u>\$ 1,393,204</u>
CHANGE IN:				
Accounts payable			(193,054)	
GAAP CHANGE IN FUND BALANCE			<u>\$ 191,150</u>	

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2009

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 117,370	\$ 117,370
Restricted cash and cash equivalents	125,105	-	-	125,105
Receivables:				
Accounts receivable, net of allowance	8,475	122,174	128,605	259,254
Property tax	-	5,226	-	5,226
Due from other funds	-	278,839	1,264,336	1,543,175
Total current assets	133,580	406,239	1,510,311	2,050,130
Capital assets:				
Land and water rights	376,475	49,856	4,684,000	5,110,331
Plant and equipment	9,430,865	2,060,303	8,136,360	19,627,528
Total capital assets, net of accumulated depreciation	4,961,788	1,852,374	6,399,531	13,213,693
TOTAL ASSETS	\$ 5,095,368	\$ 2,258,613	\$ 7,909,842	\$ 15,263,823
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 6,729	\$ 25,946	\$ 115,979	\$ 148,654
Accrued compensation and benefits	1,143	6,381	14,652	22,176
Gross receipts tax payable	9,568	8,019	24,689	42,276
Other liabilities	-	-	41,107	41,107
Interest payable	96,685	6,696	46,835	150,216
Compensated absences	6,247	7,405	2,665	16,317
Due to other funds	416,731	101,641	63,130	581,502
Capital leases payable - current	2,316	105,339	6,678	114,333
Loans payable - current	-	150,218	8,988	159,206
Bonds payable - current	84,000	-	30,000	114,000
Total current liabilities	623,419	411,645	354,723	1,389,787
Non-current liabilities:				
Compensated absences	779	459	621	1,859
Capital leases payable	14,448	223,394	36,205	274,047
Loans payable	-	1,305,050	90,830	1,395,880
Bonds payable	5,260,000	-	970,000	6,230,000
Total non-current liabilities	5,275,227	1,528,903	1,097,656	7,901,786
TOTAL LIABILITIES	5,898,646	1,940,548	1,452,379	9,291,573
NET ASSETS				
Invested in capital assets, net of related debt	(398,976)	68,373	5,256,830	4,926,227
Restricted for:				
Grant expenditures	125,105	-	-	125,105
Customer deposits	-	-	-	-
Unrestricted	(529,407)	249,692	1,200,633	920,918
Total net assets	(803,278)	318,065	6,457,463	5,972,250
TOTAL LIABILITIES AND NET ASSETS	\$ 5,095,368	\$ 2,258,613	\$ 7,909,842	\$ 15,263,823

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
Year Ended June 30, 2009

	<u>Major Enterprise Funds</u>			<u>Total</u>
	<u>Waste Water</u>	<u>Solid Waste</u>	<u>Water</u>	
OPERATING REVENUES				
Sales and services	\$ 485,559	\$ 821,500	\$ 985,704	\$ 2,292,763
Operating expenses:				
Operating expenses	293,067	525,985	709,526	1,528,578
Depreciation	<u>292,713</u>	<u>200,526</u>	<u>228,940</u>	<u>722,179</u>
Total operating expenses	<u>585,780</u>	<u>726,511</u>	<u>938,466</u>	<u>2,250,757</u>
Operating (loss) income	(100,221)	94,989	47,238	42,006
NON-OPERATING REVENUES				
Operating transfers in	-	1,358,228	42,581	1,400,809
Operating transfers out	<u>-</u>	<u>(1,567,879)</u>	<u>-</u>	<u>(1,567,879)</u>
Total non-operating expenses	<u>(257,640)</u>	<u>(212,751)</u>	<u>(40,605)</u>	<u>(510,996)</u>
NET (LOSS) INCOME	(357,861)	(117,762)	6,633	(468,990)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(445,417)</u>	<u>435,827</u>	<u>6,450,830</u>	<u>6,441,240</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (803,278)</u>	<u>\$ 318,065</u>	<u>\$ 6,457,463</u>	<u>\$ 5,972,250</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2009

	Major Enterprise Funds			
	Waste Water	Solid Waste	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 474,293	\$ 775,787	\$ 988,338	\$ 2,238,418
Cash payments to vendors and employees	(326,681)	(665,386)	(719,711)	(1,711,778)
Net cash provided by operating activities	147,612	110,401	268,627	526,640
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Gross receipts tax revenue	-	45,951	-	45,951
(Due to)/due from	306,352	(253,506)	(18,272)	34,574
Transfer (Out) In	-	(209,651)	42,581	(167,070)
Net cash provided (used) by non-capital				
RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(821,022)	(69,311)	(890,333)
Debt proceeds	-	828,323	-	828,323
Principal payment on bonds	(80,000)	-	-	(80,000)
Principal payment on loans	-	(111,499)	(8,965)	(120,464)
Principal payment on capital leases	(7,000)	(14,738)	(14,104)	(35,842)
Interest payment on bonds, loans and leases	(257,640)	(49,051)	(83,186)	(389,877)
Net cash used by capital and related financing activities	(344,640)	(167,987)	(175,566)	(688,193)
NET (DECREASE) INCREASE IN CASH	109,324	(474,792)	117,370	(248,098)
CASH, BEGINNING OF YEAR	15,781	474,792	-	490,573
CASH, END OF YEAR	\$ 125,105	\$ -	\$ 117,370	\$ 242,475

	Major Enterprise Funds			
	Waste Water	Solid Waste	Water	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (100,221)	\$ 94,989	\$ 47,238	\$ 42,006
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS				
Depreciation expense	292,713	200,526	228,940	722,179
Bad debt expense	-	-	50,431	50,431
CHANGES IN ASSETS AND LIABILITIES				
Total changes in assets and liabilities	<u>(44,880)</u>	<u>(185,114)</u>	<u>(57,982)</u>	<u>(287,976)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 147,612</u>	<u>\$ 110,401</u>	<u>\$ 268,627</u>	<u>\$ 526,640</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2009

ASSETS	
Cash	\$ 88,811
Accounts receivable	<u>24,838</u>
TOTAL ASSETS	<u>\$ 113,649</u>
LIABILITIES	
Due to others	\$ 105,342
Due to governmental funds	<u>8,307</u>
TOTAL LIABILITIES	<u>\$ 113,649</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2009.

The government-wide financial statements report information on all of the non-fiduciary activities of the Village. Where appropriate, the effect of interfund activity has been removed from the 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; 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.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 received, and are not susceptible to accrual as not measurable until payment is actually received.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Community Center is a special revenue fund established to account for the revenue and expenditures of the Community Center. The fund is authorized by the Village Council.

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.

Transit Facility is used to account for the monies received and expended for construction associated with the transit facility.

Proprietary funds financial statements are reported using the measurement focus 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, regardless of when the related cash flow takes place.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Compensated Absences

The Village accrues compensated absences for regular and probationary full-time employees at the rate of 3.70 hours per pay period, equal to 12 working days per year. The maximum on sick leave accrual is capped at 480 hours, equal to 60 days.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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 limitations are 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.

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. All interfund activity has been eliminated at the government wide level.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flows

For purposes of the Statement of Cash Flows, all highly liquid assets with a maturity of three months or less are considered 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.

Use of Estimates in Preparing Financial Statements

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - CASH AND INVESTMENTS

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, 2009 consists of the following:

	<u>International Bank</u>	<u>First National Bank</u>	<u>Total</u>
Total amount on deposit	\$ 583,794	\$ 250,000	\$ 833,794
Less FDIC coverage	(250,000)	(250,000)	(500,000)
Total uninsured public funds	333,794	-	333,794
50% collateral requirement	166,897	-	166,897
Pledged securities, fair value	<u>767,940</u>	<u>-</u>	<u>767,940</u>
 Pledged in excess of requirement	 <u>\$ 601,043</u>	 <u>\$ -</u>	 <u>\$ 601,043</u>

The total balance in any single financial institution may at times exceed the \$250,000 in FDIC coverage available to individual depositors. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account. See page 104 for a reconciliation of bank to book balances.

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the 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.

As of June 30, 2009, the State Treasurer Local Government Investment Pool (LGIP) was rated by Standard's & Poor's as AAAM. At June 30, 2009, the Village had \$219,546 (of which \$5,202 is in the Reserve Contingency Fund) in the LGIP. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. 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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

LGIP does not have unit shares. Monthly, 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 auditor's report, together with the financial statements, the accompanying notes to the financial statements and the independent auditor's 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, 2009 was 43 days.

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

NOTE 3 - ACCOUNTS RECEIVABLE – PROPRIETARY 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, 2009:

Accounts receivable	\$ 978,726
Allowance for uncollectible accounts	<u>(719,472)</u>
Total	<u>\$ 259,254</u>

Management determines that receivables in excess of 120 days comprise the allowance for uncollectible accounts.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Beginning Balance, Restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:						
Land	\$ 563,146	\$ -	\$ 563,146	\$ -	\$ -	\$ 563,146
Land - right of way	2,622,459	-	2,622,459	-	-	2,622,459
Construction in progress	<u>7,824,441</u>	<u>(1,828,977)</u>	<u>5,995,464</u>	<u>1,798,568</u>	<u>(4,562,810)</u>	<u>3,231,222</u>
Total capital assets not being depreciated	11,010,046	(1,828,977)	9,181,069	1,798,568	(4,562,810)	6,416,827
Capital assets being depreciated:						
Vehicles under capital lease	569,051	-	569,051	207,200	-	776,251
Equipment under capital lease	88,384	-	88,384	-	-	88,384
Machinery and equipment	1,160,049	-	1,160,049	141,101	-	1,301,150
Infrastructure	<u>4,629,551</u>	<u>1,828,977</u>	<u>6,458,528</u>	<u>4,596,483</u>	<u>-</u>	<u>11,055,011</u>
Total capital assets being depreciated	<u>10,463,191</u>	<u>1,828,977</u>	<u>12,292,168</u>	<u>5,088,384</u>	<u>-</u>	<u>17,380,552</u>
Total capital assets	21,473,237	-	21,473,237	6,886,952	(4,562,810)	23,797,379
Less accumulated depreciation for:						
Buildings	(551,677)	-	(551,677)	(91,514)	-	(643,191)
Software	(243,413)	-	(243,413)	(17,009)	-	(260,422)
Vehicles	(1,066,981)	-	(1,066,981)	(244,227)	-	(1,311,208)
Vehicles under capital lease	(580,116)	-	(580,116)	(55,610)	-	(635,726)
Equipment under capital lease	(12,626)	-	(12,626)	-	-	(12,626)
Machinery and equipment	(784,258)	-	(784,258)	(150,336)	-	(934,594)
Infrastructure	<u>(1,990,038)</u>	<u>(609,659)</u>	<u>(2,599,697)</u>	<u>(641,425)</u>	<u>-</u>	<u>(3,241,122)</u>
Total accumulated depreciation	<u>(5,229,109)</u>	<u>(609,659)</u>	<u>(5,838,768)</u>	<u>(1,200,121)</u>	<u>-</u>	<u>(7,038,889)</u>
Total capital assets being depreciated, net	<u>5,234,082</u>	<u>1,219,318</u>	<u>6,453,400</u>	<u>3,888,263</u>	<u>-</u>	<u>10,341,663</u>
Governmental activities capital assets, net	<u>\$ 16,244,128</u>	<u>\$ (609,659)</u>	<u>\$ 15,634,469</u>	<u>\$ 5,686,831</u>	<u>\$ (4,562,810)</u>	<u>\$ 16,758,490</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 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 equipment	19,027,453	600,075	-	19,627,528
Vehicles	<u>430,980</u>	<u>290,258</u>	<u>-</u>	<u>721,238</u>
Less accumulated depreciation for:				
Plant and equipment	(11,182,852)	(669,248)	-	(11,852,100)
Vehicles	<u>(340,373)</u>	<u>(52,931)</u>	<u>-</u>	<u>(393,304)</u>
Total accumulated depreciation	<u>(11,523,225)</u>	<u>(722,179)</u>	<u>-</u>	<u>(12,245,404)</u>
Total capital assets being depreciated, net	<u>7,935,208</u>	<u>168,154</u>	<u>-</u>	<u>8,103,362</u>
Business-type activities capital assets, net	<u>\$ 13,045,539</u>	<u>\$ 168,154</u>	<u>\$ -</u>	<u>\$ 13,213,693</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 – CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 223,494
Public safety	282,713
Highways and streets	641,425
Culture and recreation	234
Public transportation	49,684
Economic and physical development	<u>2,571</u>
Total depreciation expense	<u>\$ 1,200,121</u>
Business-type activities:	
Waste water	\$ 292,713
Solid waste	200,526
Water	<u>228,940</u>
Total depreciation expense	<u>\$ 722,179</u>

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES

During the year ended June 30, 2009, 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	\$ 910,285	\$1,415,506	\$363,058	\$1,962,733	\$ 238,013
Bonds payable	5,907,096	232,459	364,923	5,774,632	258,885
Capital leases	411,320	207,200	181,299	437,221	71,886
Compensated absences	<u>32,437</u>	<u>25,182</u>	<u>22,885</u>	<u>34,734</u>	<u>24,314</u>
Total	<u>\$7,261,138</u>	<u>\$1,880,347</u>	<u>\$932,165</u>	<u>\$8,209,320</u>	<u>\$ 593,098</u>

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

Management has elected not to reserve monies for debt service per their debt covenants. In addition, management records the pledged revenue related to the debt in another fund and transfers funds to the debt service fund for principal and interest payments. These funds are being used for operations.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 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 Village made the final payment of \$7,940 during the year ended June 30, 2009.

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	91,423	11,903	103,326
2015 - 2017	<u>294,591</u>	<u>16,121</u>	<u>310,712</u>
Total	<u>\$ 724,302</u>	<u>\$ 106,804</u>	<u>\$ 831,106</u>

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 13,000	\$ 3,480	\$ 16,480
2011	14,000	2,960	16,960
2012	14,000	2,400	16,400
2013	15,000	1,840	16,840
2014	15,000	1,240	16,240
2015	<u>16,000</u>	<u>640</u>	<u>16,640</u>
Total	<u>\$ 87,000</u>	<u>\$ 12,560</u>	<u>\$ 99,560</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

On November 25, 2008, the Village obtained a loan from New Mexico Finance Authority in the amount of \$167,212, with an interest rate of 3.70%, for the purpose of purchasing equipment for use by the Village. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 16,021	\$ 4,912	\$ 20,933
2011	16,362	4,572	20,934
2012	16,768	4,166	20,934
2013	17,220	3,714	20,934
2014	17,718	3,216	20,934
2015 - 2018	<u>76,801</u>	<u>6,932</u>	<u>83,733</u>
Total	<u>\$ 160,890</u>	<u>\$ 27,512</u>	<u>\$ 188,402</u>

On August 5, 2008, the Village obtained a loan from New Mexico Finance Authority from the USDA Rural Services Department in the amount of \$700,000, with an interest rate of 4.25%, for the purpose of acquiring, constructing, equipping and improving fire protection facilities and equipment for the Village of Angel Fire. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 24,000	\$ 28,800	\$ 52,800
2011	25,000	27,800	52,800
2012	26,000	26,700	52,700
2013	27,000	25,600	52,600
2014	28,000	24,500	52,500
2015 - 2019	160,000	103,500	263,500
2020 - 2024	197,000	66,600	263,600
2025 - 2028	<u>213,000</u>	<u>20,800</u>	<u>233,800</u>
Total	<u>\$ 700,000</u>	<u>\$ 324,300</u>	<u>\$ 1,024,300</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

On September 2, 2008, the Village issued a loan through the New Mexico Finance Authority from the USDA Rural Services Department in the amount of \$110,000, with an interest rate of 4.25%, for the purpose of acquiring, constructing, equipping and improving fire protection facilities and equipment for the Village of Angel Fire. The draws on the loan during the year amounted to \$49,860. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 4,000	\$ 4,900	\$ 8,900
2011	4,000	4,700	8,700
2012	4,000	4,500	8,500
2013	4,000	4,300	8,300
2014	4,000	4,100	8,100
2015 - 2019	24,000	17,800	41,800
2020 - 2024	<u>5,860</u>	<u>2,900</u>	<u>8,760</u>
Total	<u>\$ 49,860</u>	<u>\$ 43,200</u>	<u>\$ 93,060</u>

On June 1, 2008, the Village issued a line of credit with International Bank in the amount of \$500,000, with an interest rate of 4.0%, to aid in their operating activities. The Village drew down on this line of credit during the fiscal year and had an outstanding balance of \$240,681 at the end of the year. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 100,000	\$ 9,627	\$ 109,627
2011	100,000	5,627	105,627
2012	<u>40,681</u>	<u>1,627</u>	<u>42,308</u>
Total	<u>\$ 240,681</u>	<u>\$ 16,881</u>	<u>\$ 257,562</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	13,000	28,200	41,200
2015 – 2019	47,000	130,800	177,800
2020 – 2024	95,000	110,500	205,500
2025 – 2029	120,000	84,250	204,250
2030 – 2034	153,000	51,200	204,200
2035 – 2037	<u>136,000</u>	<u>11,150</u>	<u>147,150</u>
Total	<u>\$ 608,000</u>	<u>\$ 534,550</u>	<u>\$ 1,142,550</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.

1999 General Obligation Bonds:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>
Total	<u>\$ 170,000</u>	<u>\$ 20,050</u>	<u>\$ 190,050</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	56,099	13,200	69,299
2015 – 2018	<u>251,111</u>	<u>26,084</u>	<u>277,195</u>
Total	<u>\$ 508,227</u>	<u>\$ 115,463</u>	<u>\$ 623,690</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 \$232,459. The outstanding balance for these bonds at June 30, 2009 was \$1,826,042.

2007 Joint Utility System Improvement Revenue Bonds:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 64,334	\$ 77,534	\$ 141,868
2011	67,068	74,800	141,868
2012	69,918	81,949	141,867
2013	72,890	68,978	141,868
2014	75,988	65,880	141,868
2015 – 2019	431,215	278,124	709,339
2020 – 2024	530,973	178,363	709,336
2025 – 2027	<u>513,656</u>	<u>55,526</u>	<u>569,182</u>
Total	<u>\$ 1,826,042</u>	<u>\$ 881,154</u>	<u>\$ 2,707,196</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

On October 4, 2007, the Village issued \$2,855,664 in Improvement District Bonds, Series 2007 through USDA-RUS. 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	120,700	91,809	212,509
2015 – 2019	682,100	393,155	1,075,255
2020 – 2024	835,000	227,365	1,062,365
2025 – 2028	<u>587,863</u>	<u>49,139</u>	<u>637,002</u>
Total	<u>\$ 2,662,363</u>	<u>\$ 1,174,653</u>	<u>\$ 3,837,016</u>

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, CNH Capital, Caterpillar Financial Services Corporation and Wagner Equipment. The gross amount of vehicles and equipment under capital lease is \$569,051 and \$88,384, respectively.

The future requirements for capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 71,886	\$ 21,685	\$ 93,571
2011	42,737	11,001	53,738
2012	110,191	8,680	118,871
2013	111,718	7,154	118,872
2014	<u>100,689</u>	<u>7,538</u>	<u>108,227</u>
Total	<u>\$ 437,221</u>	<u>\$ 56,058</u>	<u>\$ 493,279</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES (CONTINUED)

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.

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

NOTE 6 - LONG-TERM DEBT – ENTERPRISE 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	\$ 1,079,550	\$ 596,000	\$(120,464)	\$ 1,555,086	\$ 159,206
Bonds payable	6,424,000	-	(80,000)	6,344,000	114,000
Capital leases	191,899	232,323	(35,842)	388,380	114,333
Compensated absences	<u>17,644</u>	<u>17,223</u>	<u>(16,691)</u>	<u>18,176</u>	<u>16,317</u>
Total	<u>\$ 7,713,093</u>	<u>\$ 845,546</u>	<u>\$(252,997)</u>	<u>\$ 8,305,642</u>	<u>\$ 403,856</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%.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - LONG-TERM DEBT – ENTERPRISE FUNDS (CONTINUED)

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>
2010	\$ 8,988	-	\$ 8,988
2011	9,010	-	9,010
2012	9,033	-	9,033
2013	9,055	-	9,055
2014	9,078	-	9,078
2015 - 2019	45,735	-	45,735
2020	<u>9,215</u>	<u>-</u>	<u>9,215</u>
Total	<u>\$ 100,114</u>	<u>\$ -</u>	<u>\$ 100,114</u>

The future requirements for the transfer station are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	67,516	25,869	93,385
2015 – 2019	382,487	87,277	469,764
2020 – 2021	<u>177,722</u>	<u>11,642</u>	<u>189,364</u>
Total	<u>\$ 873,805</u>	<u>\$ 250,662</u>	<u>\$ 1,124,467</u>

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 9,984	\$ 1,063	\$ 11,047
2011	10,348	725	11,073
2012	<u>11,501</u>	<u>372</u>	<u>11,873</u>
Total	<u>\$ 31,833</u>	<u>\$ 2,160</u>	<u>\$ 33,993</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - LONG-TERM DEBT – ENTERPRISE FUNDS (CONTINUED)

On November 25, 2008, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$395,000 for the purchase of a chipper. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 38,000	\$ 11,600	\$ 49,600
2011	39,000	10,792	49,792
2012	39,000	9,824	48,824
2013	41,000	8,772	49,772
2014	42,000	7,588	49,588
2015 – 2019	<u>174,667</u>	<u>16,378</u>	<u>191,045</u>
Total	<u>\$ 373,667</u>	<u>\$ 64,954</u>	<u>\$ 438,621</u>

On November 25, 2008, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$201,000 for the purchase of a paper truck. The future requirements for the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 44,000	\$ 4,682	\$ 48,682
2011	45,000	3,746	48,746
2012	46,000	2,630	48,630
2013	<u>40,667</u>	<u>1,388</u>	<u>42,055</u>
Total	<u>\$ 175,667</u>	<u>\$ 12,446</u>	<u>\$ 188,113</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 through USDA-RUS. 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
June 30, 2009

NOTE 6 - LONG-TERM DEBT – ENTERPRISE FUNDS (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	51,000	118,370	169,370
2015 – 2019	291,000	553,424	844,424
2020 – 2024	367,000	477,329	844,329
2025 – 2029	462,000	381,617	843,617
2030 – 2034	583,000	260,966	843,966
2035 – 2039	<u>738,000</u>	<u>108,586</u>	<u>846,586</u>
Total	<u>\$ 2,672,000</u>	<u>\$ 2,395,622</u>	<u>\$ 5,067,622</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 through USDA-RUS. 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	51,000	118,370	169,370
2015 – 2019	291,000	553,424	844,424
2020 – 2024	367,000	477,329	844,329
2025 – 2029	462,000	381,617	843,617
2030 – 2034	583,000	260,966	843,966
2035 – 2039	<u>738,000</u>	<u>108,586</u>	<u>846,586</u>
Total	<u>\$ 2,672,000</u>	<u>\$ 2,395,622</u>	<u>\$ 5,067,622</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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - LONG-TERM DEBT – ENTERPRISE FUNDS (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	40,000	59,500	99,500
2015 – 2019	240,000	250,950	490,950
2020 – 2024	330,000	151,550	481,550
2025 – 2029	<u>260,000</u>	<u>28,350</u>	<u>288,350</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 752,850</u>	<u>\$ 1,752,850</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 Village is obligated to Republic First National Bank, John Deere Credit, CNH Capital, Caterpillar Financial Services Corporation, Wagner Equipment and the Kansas State Bank of Manhattan. The gross amount of equipment under capital lease is \$527,200.

The future requirements for capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 114,333	\$ 20,069	\$ 134,402
2011	65,191	14,253	79,444
2012	70,224	9,220	79,444
2013	61,123	4,087	65,210
2014	<u>77,509</u>	<u>567</u>	<u>78,076</u>
Total	<u>\$ 388,380</u>	<u>\$ 48,196</u>	<u>\$ 436,576</u>

NOTE 7 - INTERFUND BALANCES

The following are amounts owed between funds and are classified as due from/to other funds at June 30, 2009:

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 - INTERFUND BALANCES (CONTINUED)

Due From Other Funds	Amount	Due To Other Funds	Amount
Major Governmental Funds:		Major Governmental Funds:	
General Fund	\$ 752,449	General Fund	\$ 1,030,027
Community Center	<u>582,129</u>	Community Center	428,429
		Revenue Bonds	806,579
		Transit Facility	<u>401,102</u>
Total Major Governmental Funds	<u>1,334,578</u>	Total Major Governmental Funds	<u>2,666,137</u>
Nonmajor Governmental Funds:		Nonmajor Governmental Funds:	
Emergency Medical Services	4,619	Corrections	1,750
Fire Protection	150,000	FEMA	130,611
Lodgers Tax Reserve	596,886	Emergency Med. Services	10,618
Recreation	275	Fire Protection	1,340
Transportation	80,938	Public Works	66,695
Fire Donations	4,071	Teen Court	9,364
Street Project	100,000	Transportation	321,857
Public Safety	401,159	Lodgers Tax Chamber	1,750
Forest Thinning	7,370	Street Project	401,159
Hwy 434 Assessment	151,611	Back Basin Road	37,333
Map Grant	52,672	Fire Protection Facility	24,152
Lagoon Cleanup	104,499	Forest Thinning	9,989
Capital Building Watertank	<u>9,240</u>	Hwy 434 Assessment	21,705
		MAP Grant	60,406
		Lagoon Cleanup	169,097
		Capital Building Watertank	7,900
		Ambulance Service Fund	<u>17,728</u>
Total Nonmajor Governmental Funds	<u>1,663,340</u>	Total Nonmajor Governmental Funds	<u>1,293,454</u>
Enterprise Funds:		Enterprise Funds	
Solid Waste	278,839	Waste Water	416,731
Water	<u>1,264,336</u>	Solid Waste	101,641
		Water	<u>63,130</u>
Total Enterprise Funds	<u>1,543,175</u>	Total Enterprise Funds	<u>581,502</u>
Grand Total	<u>\$ 4,541,093</u>	Grand Total	<u>\$ 4,541,093</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 - INTERFUND BALANCES (CONTINUED)

The due to/due from balances have been caused by negative cash balances at year end.

NOTE 8 - TRANSFERS

Intra-agency transfers at June 30, 2009 consisted of the following:

Transfer In Fund No.	Fund Description	Amount	Transfer Out Fund No.	Fund Description
101	General Fund	\$ 13,594	209	Fire Protection
101	General Fund	2,719	211	Law Enforcement Protection
101	General Fund	104,901	216	Public Works
101	General Fund	124,825	320	Transit Facility
101	General Fund	11,405	381	Fire Protection Facility
101	General Fund	1,567,879	504	Solid Waste
101	General Fund	90,817	201	Corrections
101	General Fund	76,811	312	Community Center
101	General Fund	5,849	378	Back Basin Road
201	Corrections	149,588	101	General Fund
206	Emergency Med. Services	2,849	101	General Fund
209	Fire Protection	48,218	101	General Fund
312	Community Center	26,739	224	Transportation
216	Public Works	30,000	201	Corrections
217	Recreation	71,938	101	General Fund
219	Teen Court	4,744	101	General Fund
224	Transportation	27,150	101	General Fund
314	Capital Bldg. Watertank	9,240	101	General Fund
318	Lagoon Cleanup	150,032	101	General Fund
318	Lagoon Cleanup	3,006	101	General Fund
350	Street Project	18,497	201	Corrections
350	Street Project	118,301	101	General Fund
378	Back Basin Road	65,277	101	General Fund
402	Revenue Bonds	153,844	101	General Fund
504	Solid Waste	1,358,228	101	General Fund
505	Water	42,581	101	General Fund
507	HWY 434 Assessment	18,987	201	Corrections
507	HWY 434 Assessment	<u>90,817</u>	101	General Fund
		<u>\$4,388,836</u>		

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 8 – TRANSFERS (CONTINUED)

Transfer Out Fund No.	Fund Description	Amount	Transfer To Fund No.	Fund Description
101	General Fund	\$ 150,032	318	Lagoon Cleanup
101	General Fund	149,588	201	Corrections
101	General Fund	2,849	206	Emergency Med. Services
101	General Fund	48,218	209	Fire Protection
101	General Fund	71,938	217	Recreation
101	General Fund	4,744	219	Teen Court
101	General Fund	27,150	224	Transportation
101	General Fund	9,240	314	Capital Bldg. Watertank
101	General Fund	3,006	318	Lagoon Cleanup
101	General Fund	118,301	350	Street Project
101	General Fund	65,277	378	Back Basin Road
101	General Fund	153,844	402	Revenue Bonds
101	General Fund	1,358,228	504	Solid Waste
101	General Fund	42,581	505	Water
101	General Fund	90,817	507	HWY 434 Assessment
201	Corrections	30,000	216	Public Works
201	Corrections	18,497	350	Street Project
201	Corrections	18,987	507	HWY 434 Assessment
201	Corrections	90,817	101	General Fund
209	Fire Protection	13,594	101	General Fund
211	Law Enforce. Protection	2,719	101	General Fund
216	Public Works	104,901	101	General Fund
224	Transportation	26,739	312	Community Center
312	Community Center	76,811	101	General Fund
320	Transit Facility	124,825	101	General Fund
378	Back Basin Road	5,849	101	General Fund
381	Fire Protection Facility	11,405	101	General Fund
504	Solid Waste	<u>1,567,879</u>	101	General Fund
		<u>\$ 4,388,836</u>		

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9 - DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balances or net assets at June 30, 2009:

General Fund	\$ 537,694
Community Center	39,241
Revenue Bonds	841,228
Transit Facility	401,002
Corrections	1,004
FEMA	130,611
Emergency Medical Services	5,999
Public Works	5,834
Teen Court	9,364
Transportation	302,086
Lodger's Tax Chamber	1,750
Street Project	155,954
Back Basin Road	37,288
Forest Thinning	2,619
MAP Grant	7,734
Lagoon Cleanup	132,264
Ambulance Services	17,728
Waste Water	<u>803,278</u>
Total	<u>\$ 3,432,678</u>

The Village is currently addressing the negative fund balances and is planning on taking the appropriate actions.

NOTE 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.

NOTE 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

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 11 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONTINUED)

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

Funding Policy

Plan members are required to contribute 9.15% of their gross salary. The Village is required to contribute 12.35% of the gross covered salary. The contribution requirements of plan members and the Village are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the years ended June 30, 2009, 2008 and 2007 were \$206,584, \$215,091 and \$215,091, respectively, which equal the amount of the required contributions for each fiscal 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.

NOTE 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.

NOTE 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.

The Village had no significant reductions in insurance coverage from coverage in the prior year. In the fiscal years ended June 30, 2009, 2008 and 2007, there were no settlements that exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 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 Government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable state 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, 2009, 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, 2009. 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, 2009:

2010	\$ 85,164
2011	39,653
2012	5,000
2013	5,000
2014	5,000
2015 and thereafter	<u>5,000</u>
Total	<u><u>\$ 144,817</u></u>

NOTE 15 - BUDGET OVERAGES

The budget for the following funds was overspent during fiscal year 2009:

General	\$ 836,132
Community Center	\$ 50,072
Corrections	\$ 8,713
FEMA	\$ 1,156
EMS	\$ 10,135
Law Enforcement	\$ 26,514
Lodger's Tax	\$ 1,622
Public Works	\$ 78,547
Teen Court	\$ 4,744
Fire Donations	\$ 14,949
Street Project	\$ 158,014
Back Basin Road	\$ 202,017
Fire Protection Facility	\$ 707,657
Transportation	\$ 137,122

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 15 - BUDGET OVERAGES (CONTINUED)

HWY 434 Assessment	\$	612,184
Transit Facility	\$	233,878
Revenue Bonds	\$	154,458
Waste Water	\$	200,678
Water	\$	95,538
Solid Waste	\$	209,651
Lagoon Cleanup	\$	511,741

The following funds were not appropriately budgeted for but were utilized in fiscal year 2009:

Community Center	Transportation Welfare to Work
Corrections	Fire Donations
FEMA	Street Project
EMS	Back Basin Road
Law Enforcement	Fire Protection Facility
Lodger's Tax	HWY 434 Assessment
Public Works	Watertank
Teen Court	Revenue Bonds

NOTE 16 – CASH SHORTFALL

The Village continues to experience shortage of cash inflow due to the deteriorating economic conditions and its impact on the revenue generated from the recreation activities. Management of the Village is aware of the issues and has taken actions to keep the operation of the Village running in the normal manner. The following options are available to the Village to maintain the performance:

- (1) The Village may continue borrowing funds from various financial institutions to support operations, repaying the outstanding debt out of various tax revenue sources.
- (2) The Village may actively seek Federal and State grant revenue to reduce the shortfall of cash and supplement funding of normal operations.
- (3) The Village has implemented certain procedures to increase the collection rate of utility receivables.
- (4) The Village has implemented certain procedures for cost reduction; amongst those actions was a reduction in the number of personnel, and monitoring of all expenditures.

NOTE 17 - RESTATEMENT

Construction in process, which was completed in July 2006, was transferred to a depreciable capital asset during the year. This project had a cost of approximately \$1.8 million and associated accumulated depreciation from prior fiscal year of approximately \$609,600. This accumulated depreciation caused the restatement to more fairly state beginning accumulated depreciation on the government-wide financial statements.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 18 - SUBSEQUENT EVENTS

Subsequent to June 30, 2009, the Village entered into the following transactions:

- In December 2009, the Village issued a Gross Receipts Tax bond in the amount of \$417,975 to purchase a ladder truck.
- In January 2010, the Village issued a loan for \$83,280 to purchase a water tank.
- In February 2010, the Village issued a municipal infrastructure Gross Receipts Tax bond in the amount of \$923,091 to purchase water rights.
- In March 2010, the Village issued a municipal infrastructure Gross Receipts Tax bond in the amount of \$1,118,245 to refund the CS Cattle loan for water rights.
- In June 2010, the Village issued a loan with New Mexico Finance Authority in the amount of \$1,779,180 to aid in construction of the sports complex.

NOTE 19 – UNFAVORABLE ECONOMIC CONDITION

Even though for fiscal year 2009 the Village experienced a slightly better year with tourism and gross receipts tax, the Village's financial position related to their governmental funds is not favorable. Many of their governmental funds have deficit fund balances. The decline in the economy in subsequent years could have an increased negative financial impact on the Village.

This information is an integral part of the financial statements.

SUPPLEMENTARY INFORMATION

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
June 30, 2009

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. This fund was established by NMSA 33-9-3.

USDA Air Burner

This fund was established to account for the air burner grant by the provision in 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. This fund was established by NMSA 7-9-29.

Emergency Medical Services

To account for all rescue operations undertaken by the Fire Department and funded through State grants. The fund was established by 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. The fund was established by 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. The fund was established by NMSA 3-38-14.

Public Works

The public works fund is used to account for gasoline taxes and state grants used for the construction and maintenance of streets. The fund was established by NMSA 7-1-6.9 and 7-1-6.27.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
June 30, 2009

Recreation

To account for revenues and expenditures relating to recreational facilities and programs of the Village. The monetary funds to support the activities carried out in this fund come from the State. The fund was established by NMSA 7-12-15.

Teen Court

To account for revenues and expenditures related to the teen court. This fund was authorized by the Village Council.

Transportation

To account for the cost of operating the local transit system. Revenues are derived from the fees collected from passengers and the grant from the Federal Transit Authority. This fund was established by 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, and was established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

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. The fund is authorized by the Village Council.

Street Project

To account for improvements and maintenance of the Village's roads. Street Project is funded through the Municipal Capital Outlay Gross Receipts Tax and is authorized by the Village Council.

Back Basin Road

To account for the Back Basin Road improvement project. This fund was established by a provision in the grant agreement.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
June 30, 2009

Fire Protection Facility

To account for acquiring, constructing, enlarging, improving and extending the fire protection facility to serve the area within the lawful jurisdiction of the Village. The fund was established by NMSA 59A-53-7.

CAPITAL PROJECTS FUNDS

The following capital project funds were established for various construction projects and authorized by the Village Council.

Public Safety Building

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

Forest Thinning

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

HWY 434 Assessment

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.

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 activity related to the fill-in and clean up of the former Village lagoon. The fund was established by the provision in the New Mexico Environment Department grant pursuant to NMSA H-1-6.B.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
June 30, 2009

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR FUNDS
June 30, 2009

	SPECIAL REVENUE FUNDS			
	201	202	205	206
	Corrections	USDA Air Burner	FEMA	Emergency Medical Services
ASSETS				
Cash and cash equivalents	\$ 3,937	\$ 61,893	\$ -	\$ -
Receivables:				
Taxes:				
Property tax	-	-	-	-
Gross receipts tax	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	-	-	-	4,619
TOTAL ASSETS	<u>\$ 3,937</u>	<u>\$ 61,893</u>	<u>\$ -</u>	<u>\$ - 4,619</u>
Accounts payable	\$ 3,191	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
Due to other funds	1,750	-	130,611	10,618
Total liabilities	4,941	-	130,611	10,618
FUND BALANCES				
Unreserved, undesignated:				
Debt service	-	-	-	-
Special revenue	(1,004)	61,893	(130,611)	(5,999)
Capital projects	-	-	-	-
Total fund balances	<u>(1,004)</u>	<u>61,893</u>	<u>(130,611)</u>	<u>(5,999)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,937</u>	<u>\$ 61,893</u>	<u>\$ -</u>	<u>\$ 4,619</u>

SPECIAL REVENUE FUNDS

209	211 Law	213	216	217	219
Fire Protection	Enforcement Protection	Lodgers Tax Reserve	Public Works	Recreation	Teen Court
\$ 77,996	\$ 10,885	\$ 63,081	\$ 57,453	\$ 80,838	\$ -
-	-	-	3,408	-	-
-	-	-	-	-	-
-	-	21,380	-	-	-
-	-	-	-	-	-
<u>150,000</u>	<u>-</u>	<u>596,886</u>	<u>-</u>	<u>275</u>	<u>-</u>
<u>\$ 227,996</u>	<u>\$ 10,885</u>	<u>\$ 681,347</u>	<u>\$ 60,861</u>	<u>\$ 81,113</u>	<u>\$ -</u>
\$ 6,205	\$ 8,220	\$ 9,500	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>1,340</u>	<u>-</u>	<u>-</u>	<u>66,695</u>	<u>-</u>	<u>9,364</u>
7,545	8,220	9,500	66,695	-	9,364
-	-	-	-	-	-
220,451	2,665	671,847	(5,834)	81,113	(9,364)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>220,451</u>	<u>2,665</u>	<u>671,847</u>	<u>(5,834)</u>	<u>81,113</u>	<u>(9,364)</u>
<u>\$ 227,996</u>	<u>\$ 10,885</u>	<u>\$ 681,347</u>	<u>\$ 60,861</u>	<u>\$ 81,113</u>	<u>\$ -</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING BALANCE SHEET - NON-MAJOR FUNDS (CONTINUED)
 June 30, 2009

	224	225	260	261
	Transportation -			
	Transportation	Welfare to Work	Fire Donations	EMS Donations
ASSETS				
Cash and cash equivalents	\$ -	\$ 11,933	\$ 4,883	\$ 340
Receivables:				
Taxes:				
Property tax	-	-	-	-
Gross receipts tax	-	-	-	-
Lodgers tax	-	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	<u>80,938</u>	<u>-</u>	<u>4,071</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 80,938</u>	<u>\$ 11,933</u>	<u>\$ 8,954</u>	<u>\$ 340</u>
Accounts payable	\$ 59,691	\$ -	\$ -	\$ -
Other liabilities	1,476	-	-	-
Due to other funds	<u>321,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	383,024	-	-	-
FUND BALANCES				
Unreserved, undesignated:				
Debt service	-	-	-	-
Special revenue	(302,086)	11,933	8,954	340
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(302,086)</u>	<u>11,933</u>	<u>8,954</u>	<u>340</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 80,938</u>	<u>\$ 11,933</u>	<u>\$ 8,954</u>	<u>\$ 340</u>

<u>215</u>	<u>350</u>	<u>330/378</u>	<u>381</u>	
<u>Lodger's Tax Chamber</u>	<u>Street Project</u>	<u>Back Basin Road</u>	<u>Fire Protection Facility</u>	<u>Total Special Revenue</u>
\$ -	\$ 124,343	\$ 45	\$ 6,646	504,273
-	-	-	-	3,408
-	20,862	-	-	20,862
-	-	-	-	21,380
-	-	-	24,152	24,152
-	100,000	-	-	936,789
<u>\$ -</u>	<u>\$ 245,205</u>	<u>\$ 45</u>	<u>\$ 30,798</u>	<u>\$ 1,510,864</u>
\$ -	\$ -	\$ -	\$ -	\$ 86,807
-	-	-	-	1,476
1,750	401,159	37,333	24,152	1,006,629
1,750	401,159	37,333	24,152	1,094,912
-	-	-	-	-
(1,750)	(155,954)	(37,288)	6,646	415,952
-	-	-	-	-
<u>(1,750)</u>	<u>(155,954)</u>	<u>(37,288)</u>	<u>6,646</u>	<u>415,952</u>
<u>\$ -</u>	<u>\$ 245,205</u>	<u>\$ 45</u>	<u>\$ 30,798</u>	<u>\$ 1,510,864</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING BALANCE SHEET - NON-MAJOR FUNDS (CONTINUED)
 June 30, 2009

	CAPITAL PROJECTS FUNDS				
	310	316	507	360	
	Public				
	Safety	HWY 434			
Building	Forest Thinning	Assessment	MAP Grant		
ASSETS					
Cash and cash equivalents	\$ 335,396	\$ -	\$ 44,848	\$ -	
Receivables:					
Taxes:					
Property tax	20,884	-	-	-	
Gross receipts tax	-	-	-	-	
Lodgers tax	-	-	-	-	
Intergovernmental	-	-	-	-	
Due from other funds	<u>401,159</u>	<u>7,370</u>	<u>151,611</u>	<u>52,672</u>	
TOTAL ASSETS	<u>\$ 757,439</u>	<u>\$ 7,370</u>	<u>\$ 196,459</u>	<u>\$ 52,672</u>	
Accounts payable	\$ -	\$ -	\$ -	\$ -	
Other liabilities	-	-	-	-	
Due to other funds	<u>-</u>	<u>9,989</u>	<u>21,705</u>	<u>60,406</u>	
Total liabilities	-	9,989	21,705	60,406	
FUND BALANCES					
Unreserved, undesignated:					
Debt service	-	-	-	-	
Special revenue	-	-	-	-	
Capital projects	<u>757,439</u>	<u>(2,619)</u>	<u>174,754</u>	<u>(7,734)</u>	
Total fund balances	<u>757,439</u>	<u>(2,619)</u>	<u>174,754</u>	<u>(7,734)</u>	
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 757,439</u>	<u>\$ 7,370</u>	<u>\$ 196,459</u>	<u>\$ 52,672</u>	

CAPITAL PROJECTS FUNDS

<u>318</u>		<u>314</u>		
<u>Lagoon Cleanup</u>	<u>Capital Building Watertank</u>			<u>Total Capital Projects</u>
\$ -	\$ -			\$ 380,244
-	-			20,884
-	-			-
-	-			-
-	-			-
<u>104,499</u>	<u>9,240</u>			<u>726,551</u>
<u>\$ 104,499</u>	<u>\$ 9,240</u>			<u>1,127,679</u>
\$ 67,666	\$ -			\$ 67,666
-	-			-
<u>169,097</u>	<u>7,900</u>			<u>269,097</u>
236,763	7,900			336,763
-	-			-
-	-			-
<u>(132,264)</u>	<u>1,340</u>			<u>790,916</u>
<u>(132,264)</u>	<u>1,340</u>			<u>790,916</u>
<u>\$ 104,499</u>	<u>\$ 9,240</u>			<u>\$ 1,127,679</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING BALANCE SHEET - NON-MAJOR FUNDS (CONTINUED)
 June 30, 2009

	DEBT SERVICE FUNDS		
	405		
	Ambulance Service	Total Debt Service	Total Non-major
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 884,517
Receivables:			
Taxes:			
Property tax	-	-	24,292
Gross receipts tax	-	-	20,862
Lodgers tax	-	-	21,380
Intergovernmental	-	-	24,152
Due from other funds	-	-	1,663,340
	-	-	1,663,340
TOTAL ASSETS	\$ -	\$ -	\$ 2,638,543
Accounts payable	\$ -	\$ -	\$ 154,473
Other liabilities	-	-	1,476
Due to other funds	17,728	17,728	1,293,454
	17,728	17,728	1,449,403
Total liabilities	17,728	17,728	1,449,403
 FUND BALANCES			
Unreserved, undesignated:			
Debt service	(17,728)	(17,728)	(17,728)
Special revenue	-	-	415,952
Capital projects	-	-	790,916
	(17,728)	(17,728)	1,189,140
Total fund balances	(17,728)	(17,728)	1,189,140
 TOTAL LIABILITIES AND FUND BALANCES			
	\$ -	\$ -	\$ 2,638,543

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
 Year Ended June 30, 2009

	SPECIAL REVENUE FUNDS			
		USDA		Emergency
	Corrections	Air Burner	FEMA	Medical Services
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	966	-	-	-
Total revenues	<u>966</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,156</u>	<u>10,135</u>
Excess (deficiency) of revenues over (under expenditures before other financing sources (uses))	<u>966</u>	<u>-</u>	<u>(1,156)</u>	<u>(10,135)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Operating transfers in	149,588	-	-	2,849
Operating transfers out	(158,301)	-	-	-
Total other financing sources	<u>(8,713)</u>	<u>-</u>	<u>-</u>	<u>2,849</u>
NET CHANGE IN FUND BALANCES	(7,747)	-	(1,156)	(7,286)
FUND BALANCES, BEGINNING OF YEAR	<u>6,743</u>	<u>61,893</u>	<u>(129,455)</u>	<u>1,287</u>
FUND BALANCES, END OF YEAR	<u>\$ (1,004)</u>	<u>\$ 61,893</u>	<u>\$ (130,611)</u>	<u>\$ (5,999)</u>

SPECIAL REVENUE FUNDS

Law						
Fire Protection	Enforcement Protection	Lodgers Tax Reserve	Public Works	Recreation	Teen Court	Transportation
\$ -	\$ -	\$ 228,945	\$ -	\$ 1,419	\$ -	\$ -
-	-	-	-	-	-	14,243
-	-	-	-	-	-	-
125,442	22,400	-	-	-	-	164,889
-	-	-	135,964	-	-	-
<u>125,442</u>	<u>22,400</u>	<u>228,945</u>	<u>135,964</u>	<u>1,419</u>	<u>-</u>	<u>179,132</u>
7,434	-	7,622	-	-	4,744	-
-	-	-	-	-	-	203,685
23,420	-	-	-	-	-	-
-	-	-	-	-	-	-
7,940	-	-	-	-	-	-
<u>88,109</u>	<u>31,520</u>	<u>7,622</u>	<u>3,646</u>	<u>-</u>	<u>4,744</u>	<u>203,685</u>
<u>37,333</u>	<u>(9,120)</u>	<u>221,323</u>	<u>132,318</u>	<u>1,419</u>	<u>(4,744)</u>	<u>(24,553)</u>
-	-	-	-	-	-	-
48,218	-	-	30,000	71,938	4,744	27,150
(13,594)	(2,719)	-	(104,901)	-	-	(26,739)
<u>34,624</u>	<u>(2,719)</u>	<u>-</u>	<u>(74,901)</u>	<u>71,938</u>	<u>4,744</u>	<u>411</u>
71,957	(11,839)	221,323	57,417	73,357	-	(24,142)
<u>148,494</u>	<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>\$ 220,451</u>	<u>\$ 2,665</u>	<u>\$ 671,847</u>	<u>\$ (5,834)</u>	<u>\$ 81,113</u>	<u>\$ (9,364)</u>	<u>\$ (302,086)</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS (CONTINUED)
 Year Ended June 30, 2009

	SPECIAL REVENUE FUNDS			
	Transportation			
	Welfare to Work	Fire Donations	EMS Donations	Lodgers Tax Chamber
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	253	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	<u>253</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government		-	-	-
Public transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal	-	-	-	-
Total expenditures	<u>-</u>	<u>14,949</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under expenditures before other financing sources (uses))	<u>253</u>	<u>(14,949)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	253	(14,949)	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>11,680</u>	<u>23,903</u>	<u>340</u>	<u>(1,750)</u>
FUND BALANCES, END OF YEAR	<u>\$ 11,933</u>	<u>\$ 8,954</u>	<u>\$ 340</u>	<u>\$ (1,750)</u>

SPECIAL REVENUE FUNDS

CAPITAL PROJECT FUNDS

SPECIAL REVENUE FUNDS				CAPITAL PROJECT FUNDS	
Street Project	Back Basin Road	Fire Protection Facility	Total Special Revenue	Public Safety Building	Forest Thining
\$ 183,445	\$ -	\$ -	\$ 413,809	\$ 183,829	\$ -
-	-	-	14,496	-	-
-	-	-	-	-	-
-	142,635	-	455,366	-	-
42,410	-	-	179,340	-	-
<u>225,855</u>	<u>142,635</u>	<u>-</u>	<u>1,063,011</u>	<u>183,829</u>	<u>-</u>
-	31,497	-	51,297	-	-
-	-	-	203,685	-	-
52,579	170,520	707,657	954,176	-	-
26,392	-	-	26,392	-	-
79,043	-	-	86,983	-	-
<u>158,014</u>	<u>202,017</u>	<u>707,657</u>	<u>1,433,254</u>	<u>-</u>	<u>-</u>
67,841	(59,382)	(707,657)	(370,243)	183,829	-
-	-	749,860	749,860	-	-
136,798	65,277	-	536,562	-	-
-	(5,849)	(11,405)	(323,508)	-	-
<u>136,798</u>	<u>59,428</u>	<u>738,455</u>	<u>962,914</u>	<u>-</u>	<u>-</u>
204,639	46	30,798	592,671	183,829	-
(360,593)	(37,334)	(24,152)	(176,719)	573,610	(2,619)
<u>\$ (155,954)</u>	<u>\$ (37,288)</u>	<u>\$ 6,646</u>	<u>\$ 415,952</u>	<u>\$ 757,439</u>	<u>\$ (2,619)</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS (CONTINUED)
 Year Ended June 30, 2009

	CAPITAL PROJECT FUNDS			
	HWY 434 Assessment	MAP Grant	Lagoon Cleanup	Capital Building Watertank
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	230,351	-	-	-
Interest	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	<u>230,351</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	14,647	-	-	-
Public transportation	-	-	-	-
Capital outlay	100,000	-	-	-
Debt service - interest	244,237	-	-	-
Debt service - principal	253,300	-	-	-
Total expenditures	<u>612,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under expenditures before other financing sources (uses))	<u>(381,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	232,459	-	-	-
Operating transfers in	109,804	-	153,038	9,240
Operating transfers out	-	-	-	-
Total other financing sources	<u>342,263</u>	<u>-</u>	<u>153,038</u>	<u>9,240</u>
NET CHANGE IN FUND BALANCES	(39,570)	-	153,038	9,240
FUND BALANCES, BEGINNING OF YEAR	<u>214,324</u>	<u>(7,734)</u>	<u>(285,302)</u>	<u>(7,900)</u>
FUND BALANCES, END OF YEAR	<u>\$ 174,754</u>	<u>\$ (7,734)</u>	<u>\$ (132,264)</u>	<u>\$ 1,340</u>

<u>Total Capital Projects</u>	<u>DEBT SERVICE FUNDS</u>		<u>Total Non-major</u>
	<u>Ambulance Service</u>	<u>Total Debt Service</u>	
\$ 183,829	\$ -	\$ -	\$ 597,638
230,351	-	-	244,847
-	-	-	-
-	-	-	455,366
-	-	-	179,340
<u>414,180</u>	<u>-</u>	<u>-</u>	<u>1,477,191</u>
14,647	-	-	65,944
-	-	-	203,685
100,000	-	-	1,054,176
244,237	-	-	270,629
<u>253,300</u>	<u>-</u>	<u>-</u>	<u>340,283</u>
<u>612,184</u>	<u>-</u>	<u>-</u>	<u>2,045,438</u>
(198,004)	-	-	(568,247)
232,459	-	-	982,319
272,082	-	-	808,644
-	-	-	(323,508)
<u>504,541</u>	<u>-</u>	<u>-</u>	<u>1,467,455</u>
306,537	-	-	899,208
<u>484,379</u>	<u>(17,728)</u>	<u>(17,728)</u>	<u>289,932</u>
<u>\$ 790,916</u>	<u>\$ (17,728)</u>	<u>\$ (17,728)</u>	<u>\$ 1,189,140</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - CORRECTIONS -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	3,200	3,200	966	(2,234)
Total revenue	3,200	3,200	966	(2,234)
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	149,588	149,588
Operating transfers out	-	-	(158,301)	(158,301)
Total other financing sources	-	-	(8,713)	(8,713)
GAAP CHANGE IN FUND BALANCE			\$ (7,747)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - USDA AIR BURNER -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			<u>\$ -</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - FEMA -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	1,156	(1,156)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			\$ (1,156)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - EMERGENCY MEDICAL SERVICES -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	16,235	16,235	-	(16,235)
Total revenue	16,235	16,235	-	(16,235)
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	10,135	(10,135)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	2,849	2,849
Operating transfers out	-	-	-	-
Total other financing sources	-	-	2,849	2,849
GAAP CHANGE IN FUND BALANCE			\$ (7,286)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - FIRE PROTECTION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	109,000	109,000	125,442	16,442
Total revenue	109,000	109,000	125,442	16,442
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	15,000	15,000	23,420	(8,420)
Interest	-	-	-	-
Debt service	-	-	7,940	(7,940)
Total expenditures	124,500	124,500	84,033	40,467
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	48,218	48,218
Operating transfers out	-	-	(13,594)	(13,594)
Total other financing sources	-	-	34,624	34,624
NON-GAAP CHANGE IN FUND BALANCE			\$ 76,033	
CHANGE IN:				
Accounts receivable			(4,076)	
GAAP CHANGE IN FUND BALANCE			\$ 71,957	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	22,400	22,400	22,400	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	22,400	22,400	22,400	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	23,795	(23,795)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(2,719)	(2,719)
Total other financing sources	-	-	(2,719)	(2,719)
NON-GAAP CHANGE IN FUND BALANCE			\$ (4,114)	
CHANGE IN:				
Accounts payable			(7,725)	
GAAP CHANGE IN FUND BALANCE			\$ (11,839)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - LODGERS TAX RESERVE -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ 232,000	\$ 232,000	\$ 228,945	\$ (3,055)
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	232,000	232,000	228,945	(3,055)
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	1,622	(1,622)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
NON-GAAP CHANGE IN FUND BALANCE			\$ 227,323	
CHANGE IN:				
Accounts payable			<u>(6,000)</u>	
GAAP CHANGE IN FUND BALANCE			<u>\$ 221,323</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - PUBLIC WORKS -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	135,964	135,964
	-	-	135,964	135,964
Total revenue	-	-	135,964	135,964
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
	-	-	3,646	(3,646)
Total expenditures	-	-	3,646	(3,646)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	30,000	30,000
Operating transfers out	-	-	(104,901)	(104,901)
	-	-	(74,901)	(74,901)
Total other financing sources	-	-	(74,901)	(74,901)
GAAP CHANGE IN FUND BALANCE			\$ 57,417	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - RECREATION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUE				
Taxes	\$ 900	\$ 900	\$ 1,419	\$ 519
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	900	900	1,419	519
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	71,938	71,938
Operating transfers out	-	-	-	-
Total other financing sources	-	-	71,938	71,938
GAAP CHANGE IN FUND BALANCE			\$ 73,357	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - TEEN COURT -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	4,744	(4,744)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	4,744	4,744
Operating transfers out	-	-	-	-
Total other financing sources	-	-	4,744	4,744
GAAP CHANGE IN FUND BALANCE			<u>\$ -</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - TRANSPORTATION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	14,243	14,243
Interest	-	-	-	-
Grant	-	-	-	-
Other	257,930	257,930	164,889	(93,041)
Total revenue	257,930	257,930	179,132	(78,798)
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	16,200	16,200	-	16,200
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	257,928	257,928	203,685	54,243
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	137,533	137,533	27,150	(110,383)
Operating transfers out	-	-	(26,739)	(26,739)
Total other financing sources	137,533	137,533	411	(137,122)
GAAP CHANGE IN FUND BALANCE			\$ (24,142)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - TRANSPORTATION - WELFARE TO WORK -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	253	253
Total revenue	-	-	253	253
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			\$ 253	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - FIRE DONATION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	14,949	(14,949)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			<u>\$ (14,949)</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - EMS DONATION -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			<u>\$ -</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - LODGERS TAX CHAMBER -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			<u>\$ -</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - STREET PROJECT -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ 183,445	\$ 183,445
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	42,410	42,410
Total revenue	-	-	225,855	225,855
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	52,579	(52,579)
Interest	-	-	26,392	(26,392)
Debt service	-	-	79,043	(79,043)
Total expenditures	-	-	158,014	(158,014)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	136,798	136,798
Operating transfers out	-	-	-	-
Total other financing sources	-	-	136,798	136,798
GAAP CHANGE IN FUND BALANCE			\$ 204,639	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - BACK BASIN ROAD -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	142,635	142,635
Other	-	-	-	-
Total revenue	-	-	142,635	142,635
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	170,520	(170,520)
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	202,017	(202,017)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	65,277	65,277
Operating transfers out	-	-	(5,849)	(5,849)
Total other financing sources	-	-	59,428	59,428
GAAP CHANGE IN FUND BALANCE			<u>\$ 46</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SPECIAL REVENUE FUND - FIRE PROTECTION FACILITY -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
	-----	-----	-----	-----
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	707,657	(707,657)
Interest	-	-	-	-
Debt service	-	-	-	-
	-----	-----	-----	-----
Total expenditures	-	-	707,657	(707,657)
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	749,860	749,860
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(11,405)	(11,405)
	-----	-----	-----	-----
Total other financing sources	-	-	738,455	738,455
	-----	-----	-----	-----
GAAP CHANGE IN FUND BALANCE			<u>\$ 30,798</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - PUBLIC SAFETY BUILDING -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUE				
Taxes	\$ 87,329	\$ 87,329	\$ 183,829	\$ 96,500
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	87,329	87,329	183,829	96,500
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			<u>\$ 183,829</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - FOREST THINNING -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	172,875	172,875	-	172,875
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	172,875	172,875	-	172,875
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - HWY 434 ASSESSMENT -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ 230,351	\$ 230,351
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	230,351	230,351
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	100,000	(100,000)
Interest	-	-	244,237	(244,237)
Debt service	-	-	253,300	(253,300)
Total expenditures	-	-	612,184	(612,184)
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	232,459	232,459
Operating transfers in	-	-	109,804	109,804
Operating transfers out	-	-	-	-
Total other financing sources	-	-	342,263	342,263
GAAP CHANGE IN FUND BALANCE			\$ (39,570)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - MAP GRANT -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - LAGOON CLEANUP -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	778,000	778,000	-	778,000
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	778,000	778,000	-	778,000
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	153,038	153,038
Operating transfers out	664,779	664,779	-	(664,779)
Total other financing sources	664,779	664,779	153,038	(511,741)
GAAP CHANGE IN FUND BALANCE			\$ 153,038	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - TRANSIT FACILITY -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	224,691	224,691
Other	-	-	-	-
Total revenue	-	-	224,691	224,691
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	762,573	762,573	728,106	34,467
Interest	-	-	10,592	(10,592)
Debt service	-	-	257,753	(257,753)
Total expenditures	762,573	762,573	996,451	(233,878)
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	498,434	498,434
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(124,825)	(124,825)
Total other financing sources	-	-	373,609	373,609
GAAP CHANGE IN FUND BALANCE			\$ (398,151)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
CAPITAL PROJECTS FUND - CAPITAL BUILDING WATER TANK -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	9,240	9,240
Operating transfers out	-	-	-	-
Total other financing sources	-	-	9,240	9,240
GAAP CHANGE IN FUND BALANCE			<u>\$ 9,240</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
DEBT SERVICE FUND - REVENUE BONDS -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	42,835	(42,835)
Debt service	-	-	111,623	(111,623)
Total expenditures	-	-	154,458	(154,458)
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	153,844	153,844
Operating transfers out	-	-	-	-
Total other financing sources	-	-	153,844	153,844
NON-GAAP CHANGE IN FUND BALANCE			\$ (614)	
CHANGE IN:				
Accounts payable			(34,035)	
GAAP CHANGE IN FUND BALANCE			\$ (34,649)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
DEBT SERVICE FUND - AMBULANCE SERVICE -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees & fines	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
EXPENDITURES				
Culture and recreation	-	-	-	-
Economic and physical development	-	-	-	-
Capital outlay	-	-	-	-
Interest	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES/(USES)				
Proceeds from long-term debt, net	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
GAAP CHANGE IN FUND BALANCE			\$ -	

VILLAGE OF ANGEL FIRE, NEW MEXICO
WASTE WATER ENTERPRISE FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			(Budgetary Basis)	Positive (Negative)
REVENUE				
Sales and services	\$ 951,386	\$ 951,386	\$ 485,559	\$ (465,827)
Interest	-	-	-	-
Taxes	-	-	-	-
Other	-	-	-	-
Total revenue	951,386	951,386	485,559	(465,827)
EXPENDITURES				
Operating expenditures	350,029	350,029	293,067	56,962
Total expenditures	350,029	350,029	550,707	(200,678)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
NON-GAAP CHANGE IN FUND BALANCE			\$ (65,148)	
CHANGE IN:				
Depreciation			(292,713)	
GAAP CHANGE IN FUND BALANCE			<u>\$ (357,861)</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SOLID WASTE ENTERPRISE FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Sales and services	\$ 559,532	\$ 559,532	\$ 821,500	\$ 261,968
Interest	-	-	-	-
Taxes	-	-	45,951	45,951
Other	-	-	-	-
Total revenue	559,532	559,532	867,451	307,919
EXPENDITURES				
Operating expenditures	577,051	577,051	474,555	102,496
Debt service	-	-	49,051	(49,051)
Public safety	-	-	-	-
Total expenditures	577,051	577,051	523,606	53,445
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	1,358,228	1,358,228
Operating transfers out	-	-	(1,567,879)	(1,567,879)
Total other financing sources	-	-	(209,651)	(209,651)
NON-GAAP CHANGE IN FUND BALANCE			\$ 134,194	
CHANGE IN:				
Depreciation			(200,526)	
Accrued expenses			(42,306)	
Accounts payable			(9,064)	
GAAP CHANGE IN FUND BALANCE			\$ (117,762)	

VILLAGE OF ANGEL FIRE, NEW MEXICO
WATER ENTERPRISE FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Sales and services	\$ 1,083,621	\$ 1,083,621	\$ 985,704	\$ (97,917)
Interest	-	-	-	-
Taxes	-	-	-	-
Other	-	-	-	-
Total revenue	1,083,621	1,083,621	985,704	(97,917)
EXPENDITURES				
Operating expenditures	687,685	687,685	700,037	(12,352)
Total expenditures	687,685	687,685	783,223	(95,538)
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	-	42,581	42,581
Operating transfers out	-	-	-	-
Total other financing sources	-	-	42,581	42,581
NON-GAAP CHANGE IN FUND BALANCE			\$ 245,062	
CHANGE IN:				
Depreciation			(228,940)	
Accounts payable			(9,489)	
GAAP CHANGE IN FUND BALANCE			\$ 6,633	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended JUNE 30, 2009

	233 Motor Vehicle Fund	704 Municipal Court Bond Fund	Total
Assets, July 1, 2008	\$ 13,357	\$ 15,108	\$ 28,465
Increase	86,580	-	86,580
Decrease	-	1,396	1,396
Assets, June 30, 2009	<u>\$ 99,937</u>	<u>\$ 13,712</u>	<u>\$ 113,649</u>
Liabilities, July 1, 2008	\$ 13,357	\$ 15,108	\$ 28,465
Decrease	-	1,396	1,396
Liabilities, June 30, 2009	<u>\$ 99,937</u>	<u>\$ 13,712</u>	<u>\$ 113,649</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
Year Ended JUNE 30, 2009

Depository	Account Name	Type	Depository Balance	Reconciled Balance
Deposit accounts:				
International Bank	Operating Account	Checking	\$ 120,094	\$ 26,617
International Bank	CDBG Cash Account	Checking	100	100
International Bank	Capital Projects Account	Checking	100	100
International Bank	Fire Donations	Checking	46,269	46,269
International Bank	LEPF Account	Checking	11,377	10,885
International Bank	Fire Station #2	Checking	6,646	6,646
International Bank	HWY 434 Infrastructure	Checking	44,848	44,847
International Bank	Public Safety Building	Checking	69,946	-
International Bank	GRT Roads	Checking	18,497	18,498
International Bank	Sports and Recreation	Checking	80,838	80,837
International Bank	Special Revenue	Checking	57,454	57,453
International Bank	Back Basin Account	Checking	45	45
First National Bank	Certificate of Deposit	CD	<u>250,000</u>	<u>250,000</u>
Cash and cash equivalents			815,029	605,370
Petty cash	Petty cash	Cash	<u>-</u>	<u>400</u>
Total deposit accounts			815,029	605,770
Investment accounts:				
Bank of Albuquerque	NMFA-Supp. Indent.	U.S. Treas. Fund	-	-
Bank of Albuquerque	NMFA-Mini Pumper	U.S. Treas. Fund	59,632	59,632
Bank of Albuquerque	NMFA-Debt Service	U.S. Treas. Fund	117,039	117,039
Bank of Albuquerque	NMFA-Bond Series 2002a	U.S. Treas. Fund	40,511	40,511
Bank of Albuquerque	NMFA-Bond Series	U.S. Treas. Fund	84,594	84,594
Office of State Treasurer	LGIP Fund	Investment	<u>219,546</u>	<u>219,546</u>
Total investment accounts			<u>521,322</u>	<u>521,322</u>
TOTAL DEPOSIT AND INVESTMENT ACCOUNTS - NON-AGENCY			<u>\$ 1,336,351</u>	<u>\$ 1,127,092</u>
AGENCY FUNDS CASH ACCOUNTS				
International Bank	Municipal Court		\$ 13,712	\$ 13,712
International Bank	Motor Vehicle		<u>5,053</u>	<u>74,999</u>
Cash and cash equivalents			18,765	88,711
Petty cash	MVD petty cash		<u>-</u>	<u>100</u>
TOTAL CASH - AGENCY FUNDS			<u>\$ 18,765</u>	<u>\$ 88,811</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
Year Ended June 30, 2009

Depository	Account Name	Type of Account	Bank Balance
Deposit Accounts:			
International Bank	Operating Account	Checking	\$ 120,094
International Bank	CDBG Cash Account	Checking	100
International Bank	Capital Projects Account	Checking	100
International Bank	Fire Donations	Checking	46,269
International Bank	LEPF Account	Checking	11,377
International Bank	Fire Station #2	Checking	6,646
International Bank	HWY 434 Infrastructure	Checking	44,848
International Bank	Public Safety Building	Checking	69,946
International Bank	GRT Roads	Checking	18,497
International Bank	Sports and Recreation	Checking	80,838
International Bank	Special Revenue	Checking	57,454
International Bank	Back Basin Account	Checking	45
International Bank	Plaza Del Sol	Checking	39,306
International Bank	Municipal Court - Bond	Checking	7,287
International Bank	Motor Vehicle	Checking	<u>5,053</u>
Total deposits in International Bank			583,794
Less FDIC coverage			<u>(250,000)</u>
Total uninsured public funds			333,794
50% collateral requirement (Section 6-10017)			166,897
Investment Accounts:			
First National Bank	Certificate of Deposit	CD	<u>250,000</u>
Total deposits in Bank of Albuquerque			250,000
Less FDIC coverage			<u>(250,000)</u>
Total uninsured public funds			-
50% collateral requirement (Section 6-10017)			<u>-</u>
Total pledged collateral required			<u>\$ 166,897</u>
Name of Security	Cusip #	Maturity Date	Balances
International Bank			
Village of Angel Fire	3133MUGP4	11/13/2009	\$ 24,963
Village of Angel Fire	3133MUGP4	11/13/2009	75,889
Village of Angel Fire	3133KF5T9	9/9/2011	430,045
	31339K4H4	12/10/2010	184,799
First National Bank			
Village of Angel Fire	3133LXKG7	12/27/2018	<u>52,244</u>
Total collateral			<u>\$ 767,940</u>

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
Year Ended June 30, 2009**

Joint Power Agreement	Participants	Responsible Party	Description
Wild Fires	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
Emergency Medical Services	Village of Angel Fire Town of Taos Village of Taos Ski Valley Village of Eagle Nest	Joint Responsibility	To provide emergency medical services
Wildfire Suppression	New Mexico Energy, Minerals & Natural Resources Dept. Village of Angel Fire	Village of Angel Fire	To provide wildfire suppression
Refuse Collection	Village of Angel Fire Colfax County	Joint Responsibility	To provide refuse collection services
Airline Services	Village of Angel Fire Colfax County	Joint Responsibility	Procurement of commercial commuter airline services
Collaboration Forest Restoration Program	Taos Pueblo Rocky Mountain Youth Corps Notional Renewable Energy, LLC H.R. Vigil Small Products Urban Interface Solutions Amigos del Bosque LLC Village of Angel Fire	Joint Responsibility	Carry out 3 projects that have an effect on the Taos Canyon and Angel Fire landscape

<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
3/3/2009 until complete	None	None	Taos Pueblo	Taos Pueblo

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
US DEPARTMENT OF AGRICULTURE		
Community Facilities Loans and Grants		
Firestation #2	10.766	\$ <u>743,214</u>
Total Community Facilities Loans and Grants		743,214
Water and Waste Program		
SAD 434	10.760	18,254
Capital Projects	10.760	<u>354,497</u>
Total Water and Waste Program		<u>372,751</u>
Economic Development Initiative Special		
B-06-SP-NM-0677	14.unknown	<u>198,000</u>
Total US Housing and Urban Development Dept.		<u>198,000</u>
TOTAL FEDERAL EXPENDITURES		\$ <u>1,313,965</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

GENERAL

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activities of all federal awards of the Village

BASIS OF ACCOUNTING

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Village's basic financial statements.

NON-CASH ASSISTANCE

The Village did not receive any federal non-cash assistance during the year ended June 30, 2009.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Mr. Stuart Hamilton, 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 aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 28, 2011. 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 described below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 03-4, 03-9, 03-14, 05-2, 07-2, 07-3, 07-4, 09-3, 09-4, 09-6, 09-7, 09-8, 09-9, 09-10, 09-11, 09-12 and 09-13 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 agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 07-2, 09-6, 09-8, 09-9, 09-10, 09-11, 09-12, 09-13 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, 09-1, 09-2 and 09-5.

We also noted certain matters that are required to be reported pursuant to Government Auditing Standards, paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and responses as items 03-1, 04-1 and 04-3.

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

This report is intended solely for the information and use of management, Village Councilors, others within the Village, the Office of the State Auditor, the New Mexico Department of Finance and Administration, the New Mexico Legislature and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Albuquerque, New Mexico
December 28, 2011

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

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

Compliance

We were engaged to audit the compliance of the Village of Angel Fire, New Mexico (the Village), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that is applicable to its major federal program for the year ended June 30, 2009. The Village's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village's management.

We were unable to obtain sufficient documentation supporting the compliance of the Village with the requirements of the following major programs, nor were we able to satisfy ourselves as to the Village's compliance with those requirements by other auditing procedures:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	U.S. Department of Agriculture:
10.766	Community Facilities Loans and Grants
10.760	Water and Waste Program

Since we were unable to obtain sufficient documentation supporting the compliance of the Village with the requirements of the major programs as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Village's compliance with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control over Compliance

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over com

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Village's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Village's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-11, 09-12, 09-13 to be material weaknesses.

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

This report is intended solely for the information and use of management, Village Councilors, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal award agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Albuquerque, New Mexico
December 28, 2011

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified, except for budget statements

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major program: Disclaimer

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
	U.S. Department of Agriculture:
10.766	Community Facilities Loans and Grants
10.760	Water and Waste Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? yes no

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings

Finding 03-1 – Due Date of Audit Report (Non-compliance)

Condition: The June 30, 2009 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 December 29, 2011.

Criteria: Per State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements of local government entities are due by December 1 following the fiscal year-end, thus requiring the June 30, 2009 report to be filed by December 1, 2009.

Cause: The books and records were not reconciled until after the due date. In addition, the Village experienced significant turnover of accounting staff during the period of annual reconciliation and audit preparation.

Effect: The Village is in violation of State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2009. This issue may result in not having accurate financial information for budget preparation or other financial projections. Additionally, this issue may limit the borrowing ability of the Village precluding it from finishing undertaken projects.

Recommendation: The Village should implement accounting policies and procedures that would enable personnel to reconcile the GL and prepare for an audit in the timely manner. In addition, we recommend hiring of a knowledgeable and experienced professional to perform CFO responsibilities, and continuing professional education and training of accounting staff.

Management's Response: The Village of Angel Fire has hired an outside CPA firm to help with the reconciliation of the GL and preparation for all audits that are currently overdue. While the Village acknowledges the finding, it has taken measures to resolve this issue. In addition, the Village is currently working to develop policies and procedures to ensure that books of accounts are properly maintained and reconciled in the timely manner. In addition, the Village of Angel Fire has hired a full time Finance Director to implement accounting policies and procedures to ensure the general ledger is being reconciled.

Finding 03-4 - Inadequate Segregation of Duties (Significant Deficiency)

Condition: As part of our documentation of the internal controls we noted certain functions that were performed by the same person:

- 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.
- The person responsible for performing all IT functions is responsible for setting up employees in the network, giving the employees access rights to the accounting system, and payroll system, adding or deleting employees from the system without any oversight from the Village's management.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 03-4 - Inadequate Segregation of Duties (Significant Deficiency) (continued)

Criteria: Segregation of duties is the necessary attribute of safeguarding entity's assets.

Cause: The Village has limited financial recourses and at times is incapable to support such control measures.

Effect: The lack of segregation of duties increases the risk of asset misappropriation.

Recommendation: The Village should implement a process that allows for an oversight of the functions by someone other than the person directly responsible.

Management's 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. The Village of Angel Fire has implemented several internal controls. The person who reconciles the bank accounts, will not be responsible for any duties associated with accounts payable, such as preparing, posting or mailing of checks; this responsibility will be given to the Accounts Payable clerk.

The Village of Angel Fire has hired a person who is responsible for performing all the IT functions and has no access or responsibility to any function associated with employees or payroll in the accounting system; this responsibility has been delegated to the Human Resource Director.

03-6 – Budget Overages (Non-compliance)

Condition: During our analysis of budget to actual reports for the year ended June 30, 2009, we noted the expenditures in the following funds exceeded the budgeted amounts:

General	\$	836,132
Community Center	\$	50,072
Corrections	\$	8,713
FEMA	\$	1,156
Emergency Medical Services	\$	10,135
Law Enforcement	\$	26,514
Lodger's Tax	\$	1,622
Public Works	\$	78,547
Teen Court	\$	4,744
Fire Donations	\$	14,949
Street Project	\$	158,014
Back Basin Road	\$	202,017
Fire Protection Facility	\$	707,657
Highway 434 Assessment	\$	612,184
Transit Facility	\$	233,878
Revenue Bonds	\$	154,458
Waste Water	\$	200,678
Transportation	\$	137,122

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

03-6 – Budget Overages (Non-compliance) (continued)

Water	\$	95,538
Solid Waste	\$	209,651
Lagoon Cleanup	\$	511,741

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 is in violation of State Statute 6-6-6 NMSA 1978 from NB 565.

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

Management's 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. Moving forward, the Finance Director has and will continue to monitor all budget line items for any overages, with the assistance of Division Managers, to avoid this finding in the future.

Finding 03-9 - Utility Accounts Receivable (Significant Deficiency)

Condition: We noted approximately \$46,000 of unapplied utility credits in the detail aging of accounts receivable, for which the Village was not able to provide the detail for. Currently the Village has no formal procedure in place for approving utility billing account adjustments before an adjustment is made to accounts receivable.

Criteria: State Auditor Rule 2.2.2.10.J and Section 12-6-5 NMSA 1978 require good accounting practices to be followed.

Cause: A periodic reviews of the detail aging of accounts receivable are currently not being performed. The Village does not have a policy governing the adjustment of accounts receivable.

Effect: The Village may not have accurate information to make informed financial decisions with regard to accounts receivable.

Recommendation: We recommend the Village establish a policy governing the approval of accounts receivable adjustments, and perform periodic reconciliations of unapplied utility credits to track customer credits properly.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 03-9 - Utility Accounts Receivable (Significant Deficiency) (continued)

Management's 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. The Finance Department is in the process of developing policies and procedures to handle the write offs and collection of delinquent accounts associated with the Utility Accounts Receivable.

Finding 03-14 - Accounting for Permit Deposits (Significant Deficiency)

Condition: The Village is not keeping aged details of building permit deposits, which amounted to approximately \$213,000. 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 2.2.2.10.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.

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's 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.

Finding 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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 04-1 - Disaster Recovery Plan (Control Deficiency) (continued)

- 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's 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. The Village now has a disaster recovery plan in place.

Finding 04-3 - Travel and Per Diem Disbursements (Control Deficiency)

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

- 1 out of 38 disbursements could not be located for our review. The amount of the disbursement was \$3,670.04.
- 10 out of 28 disbursements included per diem due to employees returning from the overnight stay, which was inappropriately calculated. The total amount due to employees because of the inappropriate rate application is approximately \$120.

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. In addition, NMAC Mileage and Per Diem Section 2.42.2.9 provide rates that should be applied for employee traveling reimbursements.

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 refers to and complies with NMAC Mileage and Per Diem Act Section 2.42.2.9 when dealing with travel reimbursement issues.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 04-3 - Travel and Per Diem Disbursements (Control Deficiency) (continued)

Management's 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.

Finding 05-2 - Water Deposit Liability (Significant Deficiency)

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

Criteria: State Auditor Rule 2.2.2.10.J and Section 12-6-5 NMSA 1978 require good accounting practices to be followed.

Cause: Lack of procedures and controls in place to ensure that reconciliations are performed on on-going basis.

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.

Recommendation: The Village should implement an on-going deposit reconciliation process and keep a detailed water deposit register.

Management's 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.

Finding 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 have the accurate fixed asset inventory count. Not taking a physical inventory count may lead to asset misappropriation.

Recommendation: The Village should perform an annual physical capital asset inventory.

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 05-4 - Unbilled Water Receivable (Control Deficiency)

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 to three weeks. The water pumped during this time is billed in the next period. Because there is not a process in place, the amount unbilled is undeterminable.

Although the water receivable for the month end is not captured as a receivable, the revenue is eventually booked the subsequent period. On an annual basis, the total billing consists of a complete 12 months of services provided to customers, with the difference between fiscal years being minimal.

Criteria: Generally Accepted Accounting Principles 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 appropriately reflected on the books at the end of the reporting period.

Cause: Lack of awareness or familiarity with the GAAP requirements.

Effect: Lack of the formal procedures regarding the accrual process may lead the Village to understate its 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's Response: The Village acknowledges the finding and continues to monitor this process.

Finding 07-2 - Unlocated Accounting Records (Material Weakness)

Condition: The Village was not able to produce the following documents requested for the audit of various sections.

- During testwork over credit cards transactions and activity, we noted 3 out of 14 transactions not supported by the actual receipts.
- The Village was unable to provide supporting invoices for 11 out of 29 capital assets tested.
- During our testwork over payroll, 1 out of 38 transactions tested was not supported by a timesheet.
- The Village was not able to provide 10 out of 38 cash receipt packets requested for the audit testwork

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 07-2 - Unlocated Accounting Records (Material Weakness) (continued)

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 information 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's Response: The Village acknowledges this finding and continues to afford additional training to staff and to enhance critical document procedures.

Finding 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. Any person with the access to the accounting software can make general ledger adjustments to true up variances identified during the banks statement reconciliation process, with no approval by anybody other than preparer, or accounting support created for the adjustment.

Criteria: Per the State of New Mexico's Manual of Model Accounting Practices, journal entries should be reviewed and approved by an individual independent of the original preparer and accounting records should be maintained for independent verification, if needed.

Cause: Lack or failure of controls over the journal entry review and approval process.

Effect: With no review and approval process for the journal entries, and not audit trail created in the process, the financial information generated directly from the system may not be reliable.

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, and the supporting documentation is generated in the process, and properly kept for independent reviews.

Management's 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. The Finance Department has implemented a procedure in which a hard copy Journal Entry is created with back up documentation before it is posted into the accounting system. After the Journal Entry has been posted in the accounting system, the number created by the system is entered in the hard copy and a copy of the journal entry created by the system is attached to the hard copy and filed by month in a binder for future reference.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 07-4 - Inadequate Accounting Records (Significant Deficiency)

Condition: During audit testwork we reviewed certain documentation that we believe provides inadequate support for the transactions tested.

- During our testwork over credit card transactions, we noted that 12 out of 14 disbursements tested had no identifications of a review or approval prior to disbursement.
- During our cash receipts testwork, we noted 2 out of 28 cash receipt packets tested were not reviewed prior to deposit.

Criteria: Manual of Model Accounting Practices Section 6-5-2(C of NMSA 1987 requires agencies under its jurisdiction to implement internal controls designed to prevent accounting errors.

Cause: Lack or failure of controls surrounding review and approval process for processed transactions.

Effect: Due to the lack of the review and approval process, the financial information generated by the system directly may not be reliable.

Recommendation: We recommend the Village establish proper review and approval processes for all financial transactions.

Management's Response: The Village acknowledges this finding and has taken corrective action. The Finance Department, along with Management, has instructed all managers with credit cards to deter from circumventing the Procurement Process and requires approval from Management before using the credit card for certain expenditures over \$200.00. Cash receipts are being deposited on a daily basis.

Finding 08-2 - Timeliness of Due To/Due From Reversals (Non-compliance)

Condition: Some interfund transfers on the Village remained unchanged from FY 2008 to FY 2009.

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: Management oversight, lack of familiarity with the State model accounting practices requirements.

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 08-2 - Timeliness of Due To/Due From Reversals (Non-compliance) (continued)

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

Management's Response: The Village acknowledges this finding and has taken corrective action. We are affording additional training of our staff and working with an outside advisor. The Village is working on a written procedure to handle the Due To/Due From transactions and when they are be reversed.

Finding 09-1 - Unbudgeted Activity (Non-compliance)

Condition: The Village did not budget for the following funds that had activity in FY 2009:

Community Center	Transportation Welfare to Work
Corrections	Fire Donations
FEMA	Street Project
EMS	Back Basin Road
Law Enforcement	Fire Protection Facility
Lodger's Tax	HWY 434 Assessment
Public Works	Watertank
Teen Court	Revenue Bonds

Criteria: Section 14-2-23, NMSA 1978 requires the establishment of an official operating budget.

Cause: Lack or failure of controls surrounding the budgeting process.

Effect: The Village is in violation of section 14-2-23 of NMSA 1978.

Recommendation: We recommend the Village establishes a budget for each fund on annual basis and abide by restrictions of such budget.

Management's Response: The Village has made a concentrated effort to include all activities from the various funds in the current budget.

Finding 09-2 - Untimely Deposits (Non-compliance)

Condition: During our internal control testwork over cash receipts we noted 2 out of 38 cash receipts tested were not deposited within the required 24 hours of receipt.

Criteria: In accordance with Section 6-10-3 NMSA 1978, agencies are to deposit cash/checks received by close of the next succeeding business day after receipt of the money.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 09-2 - Untimely Deposits (Non-compliance) (continued)

Cause: Lack of effective controls surrounding the cash receipts process, management oversight.

Effect: Potential misappropriation of assets or misstatement of financial information.

Recommendation: We recommend management establishes controls necessary to ensure that all cash received is deposited by the end of the following business day.

Management's Response: All receipts received are deposited within 24-hours.

Finding 09-3 - Liability Accrual (Significant Deficiency)

Condition: During our testwork over accounts payable cutoff period, we noted items sampled had an invoice date prior to June 30, 2009 for services performed during the fiscal year. Payments for these vouchers were not made until after June 30, 2009; however, they were not properly accrued at the year end. As a result of this testwork, approximately \$160,000 had to be recorded to true up the balance of accounts payable at June 30, 2009.

Criteria: In accordance with the matching principle, expenditures should be recorded in the same period as good delivered or services rendered.

Cause: Lack or failure of controls over the reconciliation of accounts payable process.

Effect: The financial records produced by the system of the Village may not be accurate, and therefore not suitable for decision-making.

Recommendation: We recommend the Village implements a monitoring process to ensure that all liability is recorded in the correct period.

Management's Response: The Village is developing a procedure in order to properly accrue accounts payable.

Finding 09-4 - Capital Assets Overstatement (Significant Deficiency)

Condition: During our testwork over capital assets, we noted two capital assets additions totaling \$61,000 were included as additions on the capital assets schedule; however, these checks were void, therefore eliminating the right of the Village to those assets.

Criteria: In accordance with the U.S. Generally Accepted Accounting Principles, an entry may not reflect an asset on the books, unless it is properly acquired.

Cause: Lack or failure of controls associated with properly recording and reconciling capital assets, management oversight.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 09-4 - Capital Assets Overstatement (Significant Deficiency) (continued)

Effect: The fixed assets were overstated by approximately \$61,000 due to the oversight.

Recommendation: We recommend the Village implements procedure that would ensure that fixed assets are tracked properly and the reconciliation of capital assets is performed.

Management's Response: The Village is developing a procedure in which to record Capital Assets and the reconciliation of Fixed Assets.

Finding 09-5 - Compensated Absences Calculation (Control Deficiency)

Condition: During our testwork over compensated absences, we identified 4 out of 15 instances where the compensated absences balance for the employee was calculated using a pay-rate effective after the fiscal year end of June 30, 2009.

Criteria: Manual of Model Accounting Practices Section 6-5-2(C of NMSA 1987 requires agencies under its jurisdiction to implement internal controls designed to prevent accounting errors.

Cause: Management oversight

Effect: Compensated absences liability was not properly calculated.

Recommendation: We recommend the Village implement proper controls over the liability reconciliation process, and in addition, establishes a review process of the financial information by someone other than preparer.

Management's Response: The Village will develop a procedure in order to address compensated absences and the liability associated with this finding and move forward with implementation.

Finding 09-6 - Control Environment (Material Weakness)

Condition: During our audit process, we noted a lack of adequate control environment, as identified in the following issues:

- The Village does not reconcile the accounts on an on-going basis, but rather performs a reconciliation at the end of the year, along with the preparation for the audit.
- The Village does not have a process in place to remedy findings from prior year audits. Some findings have been repeated for over five fiscal periods.
- The Village does not have an adequate review process in place for accounting transactions.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 09-6 - Control Environment (Material Weakness) (continued)

- The Village should review rates charged to customers periodically related to their enterprise funds to mitigate operating losses.

Criteria: Per SAO Rule 2.2.2.8J(2), the agency shall maintain adequate accounting records. This includes performing reconciliations on a timely basis to ensure accuracy of account balances during the year, implementing an adequate review process of those records and implementing a sound environment in which significant errors are mitigated.

Cause: Lack of adequate staffing in the accounting and finance departments of the Village.

Effect: Numerous and significant errors were identified during the audit of the financial statements of the Village.

Recommendation: We recommend the Village implement policies and procedures that would require reconciliations performed throughout the year and an adequate control environment.

Management's Response: With the position of Finance Director filled, the Village will develop policies and procedures to reconcile the accounts in a timely manner.

Finding 09-7 - Accounting for State Grants (Significant Deficiency)

Condition: During our audit testwork on grants we noted the following weaknesses in the control environment over State grants:

- The Village was not accurately accounting for the State Grants, approximately \$135,000 of adjustments had to be made to true up the balance of grant revenue.
- The Village was not aware of the requirements of the grants, or the total award amounts.

Criteria: Per SAO Rule 2.2.2.8J(2), the agency shall maintain adequate accounting records.

Cause: Lack or failure of controls surrounding accounting for grants, and lack of recourse to properly monitor grants and grant requirements.

Effect: Because the Village is unaware of the requirements of the grants, it may not be in compliance with certain provisions of grant agreements. The lack of on-going reconciliation process associated with grants may result in the financial records of the Village to be inaccurate and unreliable.

Recommendation: We recommend the Village's management familiarizes themselves with grant requirements upon receipt of the award, to ensure compliance with the requirements, and implements controls over accounting and grant reconciliation process.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Management's Response: In the past the various departments tracked the grants; moving forward, the Finance Department will be the central location for the administration of all grants, so grant revenues and expenditures are accounted for in a timely manner.

Finding 09-8 - Ineffective Oversight of the Financial Reporting and Internal Controls (Material Weakness)

Condition: While conducting our audit for fiscal year 2009, we noted the Village does not have the necessary staff to prepare, perform and interpret the basic quarterly financial statements, month end reconciliations, and the necessary and required financial schedules in accordance with GAAP and GASB since most financial records are recorded on a cash basis. In addition, multiple audit adjustments for the Village were required in excess of customary year-end adjustments.

In general, the village should be able to produce accurate and timely financial information to enable well-informed business decisions to be made on a daily basis. Additionally, executive skills and knowledge of critical areas should not be centralized in any single employee or external contractor, as it may substantially increase the potential risk of loss in the event of the employee's incapacity, resignation or termination of the contract.

Criteria: The Village should possess the ability to perform accounting transactions in addition to understanding the process. A system of internal controls over the preparation of the financial does not stop at the general ledger; rather it includes controls over the preparation of the financial statements and supporting schedules as well.

Cause: Currently, the Village is not capable of producing a complete set of financial statements, including required footnotes disclosures. The Village lacks the adequate number of qualified accounting personnel and experience to provide accurate and reliable financial information for the FY 2009 audit. Additionally, the Village relies extensively on external contractor to perform the required and necessary day-to-day financial and accounting services.

Effect: Inefficiency and ineffectiveness may cause the financial records and financial statements to be misleading. The fact that the Village currently does not have the capacity to prepare the financial statements diminishes the adequacy of the internal controls that are present. There is no adequate and experienced personnel that is able to properly apply GAAP and GASB.

Recommendation: We recommend the Village develop and implement internal controls over financial reporting process to facilitate the production of timely and accurate financial statements and required disclosures. If external contractors are utilized to handle day-to-day financial transactions, the Village must provide appropriate fiscal oversight and guidance.

Management's Response: The Village has hired a full-time Finance Director, who will be responsible for the production of financial reports and the oversight of all of the financial information related to the Village and its entities.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 09-9 - Debt Service Activity (Material Weakness)

Condition: During our testwork over debt service activity, we identified the following issues:

- Debt service payments are not appropriately recorded between interest and principal payments, nor are they recorded in the appropriate fund associated with the respective debt agreements.
- Adjusting journal entries totaling approximately \$1.3 million were required to reconcile debt service payments and journal entries of approximately \$479,000 were required to reconcile debt service proceeds. Additionally, it was identified during the audit that a single audit was necessary, due to the Village expending more than \$500,000 of federal expenditures from loan proceeds.
- To cover debt service payments for the Revenue Bond Fund, bonds have pledged revenue associated with the bond issuance, the Village transfers money to the Debt Service Fund. The Village does not properly record the revenue into the correct fund and the transfer is not sufficient to cover costs associated with the Debt Service Fund. Additionally, principal and interest payments are not budgeted.

Debt from federal agencies is not properly recorded or tracked to identify the need of a single audit in accordance with federal guidelines under the Office of Management and Budget (OMB) Circular A-133.

Criteria: The New Mexico State Audit Rule, Section 2.2.2.8 (J) 2 requires an agency to maintain adequate accounting records. This includes a process for recording, reviewing and reconciling debt activity on a regular basis. Additionally, the receipt and disbursement of federal funds requires the Village to comply with OMB Circular A-133.

Cause: Lack of adequate review and management of activity associated with debt agreements.

Effect: Debt service payments on the general ledger were materially misstated during the fiscal year.

Recommendation: We recommend the Village implement policies and procedures to ensure the appropriate personnel are recording, reviewing and reconciling activity associated with debt service payments and proceeds. Additionally, the Village should implement a separate process for monitoring federal disbursements to identify the need for single audit testwork and ensure compliance with OMB Circular A-133.

Management's Response: The Village will develop procedures to record the debt service payments and proceeds in accurate manner.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section II – Financial Statement Findings (continued)

Finding 09-10 - Construction in Process Review and Reconciliation (Material Weakness)

Condition: During testwork over construction in process, completed projects on the in-process detail of approximately \$1.8 million were identified that should have transferred to a depreciable capital asset in a prior fiscal year.

Criteria: State Auditor Rule 2.2.2.10.J and Section 12-6-5 NMSU 1978 require good accounting practices to be followed, which include an adequate process for recording and reconciling construction in process. As soon as a project is complete and put into service, the capital asset should be transferred from a non-depreciable asset to a depreciable asset and depreciation should be recorded on an annual basis from that point forward.

Cause: Lack of adequate review and reconciliation over construction in process.

Effect: The financial statements for June 30, 2009 include a restatement of approximately \$609,000 to more fairly state beginning accumulated depreciation.

Recommendation: We recommend the Village implement a more thorough recording and review process over activity related to construction in process to ensure assets are properly classified as depreciable or non-depreciable to ensure depreciation expense is fairly stated at the government-wide financial statement level.

Management's Response: The Village will develop procedures to record and reconcile projects which are in the construction phase. The procedures will address the process to move projects from the construction phase into recordable assets.

Section III - Federal Award Findings and Questioned Costs

Finding 09-11 - Schedule of Federal Revenues and Expenditures (Material Weakness)

All Federal Programs

Condition: During the financial statement audit, we identified disbursements of federal money from loans obtained through the US Department of Agriculture Rural Services Division occurred, but were not accumulated or monitored by the Village in accordance with the federal requirements under OMB A-133.

Criteria: In accordance with OMB Circular A-133, entities expending more than \$500,000 in federal expenditures (whether loan or grant procedures) must undergo a single audit.

Cause: Due to the Village's lack of adequate tracking of federal expenditures, they were unaware a single audit was necessary.

Effect: Non compliance with the federal guidelines in OMB Circular A-133.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 09-11 - Schedule of Federal Revenues and Expenditures (Material Weakness)
(continued)

Recommendation: We recommend the Village implement procedures for reconciling all federal disbursements to ensure compliance with federal requirements.

Management's Response: The Village will develop procedures to record and reconcile all federal expenditures, in to order to give the information to the auditor in the form of the Schedule of Expenditures of Federal Awards.

Finding 09-12 - Reporting and Supporting Documentation (Material Weakness)

CFDA # 10.760 Water and Waste Program

Questioned Costs: \$233,111

Condition: During testwork over federal disbursements and reporting for the Water and Waste Program, we encountered the following issues:

- We were unable to test 5 out of 11 disbursements due to the Village's inability to locate the supporting documentation.
- The Village is not reporting federal disbursement activity to the United States Department of Agriculture (USDA) appropriately.

Criteria: In order to be in compliance with the federal guidelines outlined in OMB Circular A-133, disbursements are to be used for land acquisition, water rights, legal fees, engineering fees, construction costs and the purchase of equipment.

Additionally, the Village is supposed to submit the following reports to the USDA to identify the use of the federal funds:

- RD442-2 - Statement of Budget, Income and Equity
- RD442-3 - Balance Sheet

Cause: Due to the Village's lack of adequate tracking of federal expenditures, they were unaware a single audit was necessary.

Effect: Non compliance with the federal guidelines in OMB Circular A-133.

Recommendation: We recommend the Village implement procedures for reconciling all federal disbursements to ensure compliance with federal requirements.

Management's Response: The Village will develop procedures to record and reconcile all federal expenditures, in to order to give the information to the auditor in the form of the Schedule of Federal Expenditures. The Village will develop a method to track all expenditures and have them in one central location.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section III - Federal Award Findings and Questioned Costs (continued)

Finding 9-13 - Reporting and Supporting Documentation (Material Weakness)

CFDA # 10.766 Community Facilities Loans and Grants

Questioned Costs: \$693,902

Condition: During testwork over federal disbursements and reporting for the Community Facilities Loans and Grants program, we encountered the following issues:

- We were unable to test 6 out of 11 disbursements due to the Village's inability to locate the supporting documentation.
- In review of 2 instances out of 11 disbursements, the disbursement was to reimburse the Village's operating fund for payments associated with Fire Station expenditures. However, the reimbursement occurred 10 to 12 months after the original payment was made by the operating fund.
- The Village is not reporting federal disbursement activity to the USDA appropriately.

Criteria: In order to be in compliance with the federal guidelines outlined in OMB Circular A-133, disbursements are to be used to construct, enlarge, extend or otherwise improve essential community facilities providing essential services primarily to rural residents and rural business.

Additionally, the Village is supposed to submit the following reports to the USDA to identify the use of the federal funds:

- RD442-2 - Statement of Budget, Income and Equity
- RD442-3 - Balance Sheet

Cause: Due to the Village's lack of adequate tracking of federal expenditures, they were unaware a single audit was necessary.

Effect: Non compliance with the federal guidelines in OMB Circular A-133.

Recommendation: We recommend the Village implement procedures for reconciling all federal disbursements to ensure compliance with federal requirements.

Management's Response: The Village will develop procedures to record and reconcile all federal expenditures, in to order to give the information to the auditor in the form of the Schedule of Federal Expenditures. The Village will develop a method to track all expenditures and have them in one central location.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2009

Section I – Financial Statement Findings

- 03-1 Due Date of Audit Report (Non-compliance) – Repeated
- 03-4 Inadequate Segregation of Duties (Significant Deficiency) – Repeated and Modified
- 03-6 Budget Overage (Non-compliance) – Repeated and Modified
- 03-9 Utility Accounts Receivable (Significant Deficiency) – Repeated and Modified
- 03-14 Accounting for Permit Deposits (Significant Deficiency) – Repeated and Modified
- 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
- 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)
– Resolved
- 08-1 Completeness of Certain Liability Accounts - Resolved
- 08-2 Timeliness of Due to/Due from Reversals - Repeated
- 08-3 Payroll Authorization – Resolved

Section II – Federal Award Findings and Questioned Costs

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
EXIT CONFERENCE
June 30, 2009

An exit conference was held on December 29, 2011. In attendance were:

VILLAGE OF ANGEL FIRE, NEW MEXICO

Stuart Hamilton, Mayor
Lupita DeHerrera, Controller

CLIFTON GUNDERSON LLP

Georgie Ortiz, CPA, CGFM, Partner

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.