

VILLAGE OF ANGEL FIRE
Albuquerque, New Mexico
Financial Statements
June 30, 2010

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Certified Public Accountants
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VILLAGE OF ANGEL FIRE, NEW MEXICO

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VILLAGE OF ANGEL FIRE, NEW MEXICO

OFFICIAL ROSTER

Year Ended June 30, 2010

Mayor

Barbara Cottam

Mayor Pro-Tem

Chuck Howe

Council

Don Welker
Christy Germscheid
Brinn Colenda

Village Manager

Tomas Benavidez

Village Clerk

Terry Cordova

INDEPENDENT AUDITOR'S REPORT

Ms. Barbara Cottam, 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 funds and the combining and individual funds and related budgetary comparisons presented as supplementary information of the Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2010. We also have audited the financial statements of each of the Village's non-major funds and the budgetary comparisons of 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, 2010, 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.

Except as discussed in the following paragraph, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial

position of each of the non-major governmental funds of the Village as of June 30, 2010 and the respective changes in financial position thereof and the respective budgetary comparison for the nonmajor funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 18 of the financial statements, the Village's 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 June 01, 2012, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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 that collectively comprise the Village of Angel Fire, New Mexico, financial statements as a whole. The schedule of expenditures of federal awards and the additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and the additional schedules listed as "Supporting Schedules" in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
June 01, 2012

FINANCIAL STATEMENTS

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF NET ASSETS
Year Ended June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Investments	\$ 818,202	\$ 66,571	\$ 884,773
Receivables:			
Taxes:			
Property	29,454	6,475	35,929
Gross receipts	358,926		358,926
Lodgers	26,783		26,783
Accounts receivable, net of allowance		386,196	386,196
Restricted cash		126,504	126,504
Internal balances	(961,674)	961,674	0
Due from Fiduciary Fund	8,308		8,308
Capital assets, net of accumulated depreciation	<u>17,917,311</u>	<u>12,649,060</u>	<u>30,566,371</u>
TOTAL ASSETS	<u>18,197,310</u>	<u>14,196,481</u>	<u>32,393,791</u>
LIABILITIES:			
Accounts payable	752,340	209,318	961,658
Accrued compensation and benefits	70,320	27,878	98,198
Gross receipts tax payable		27,502	27,502
Interest payable		150,216	150,216
Deposits payable	179,701	42,597	222,298
Other liabilities	5,462		5,462
Compensated absences, due in one year	41,923	26,644	68,567
Long-term liabilities, due in one year	655,245	321,160	976,405
Non-current liabilities:			
Long-term liabilities, due in more than one year	<u>9,707,484</u>	<u>6,719,282</u>	<u>16,426,766</u>
TOTAL LIABILITIES	<u>11,412,475</u>	<u>7,524,597</u>	<u>18,937,072</u>
NET ASSETS:			
Invested in capital assets, net of related debt	7,554,582	5,840,459	13,395,041
Restricted for:			
Grant expenditures		126,504	126,504
Unrestricted	<u>(769,747)</u>	<u>704,921</u>	<u>(64,826)</u>
TOTAL NET ASSETS	<u>\$ 6,784,835</u>	<u>\$ 6,671,884</u>	<u>\$ 13,456,719</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
PRIMARY GOVERNMENT:			
GOVERNMENTAL ACTIVITIES:			
General government	\$ 3,122,658	\$ 248,338	\$ 223,445
Public safety	999,845	26,357	325,432
Highways and streets	1,744,175	18,873	
Culture and recreation	225	124,346	428,391
Public transportation	242,626	208,587	781,487
Economic and physical development	20,099		
Interest on long-term debt	<u>368,670</u>		
Total governmental activity	<u>6,498,298</u>	<u>626,501</u>	<u>1,758,755</u>
BUSINESS-TYPE ACTIVITIES			
Waste water	859,613	447,608	
Solid waste	906,172	803,469	
Water	<u>1,048,958</u>	<u>1,112,349</u>	
Total business-type activities	<u>2,814,743</u>	<u>2,363,426</u>	<u>0</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 9,313,041</u>	<u>\$ 2,989,927</u>	<u>\$ 1,758,755</u>

General Revenues:

Taxes:

Franchise

Gasoline

Gross receipts

Property

Lodgers

Cigarette

Motor vehicle

Interest

Total general revenues

Operating transfer net

Transfer from Agency Fund

Change in net assets

Beginning net assets

Ending net assets

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

**Net (Expense) Revenue and Changes in
Net Assets**

Primary Government		
Governmental Activities	Business- Type Activities	Total
\$ (2,650,875)		\$ (2,650,875)
(648,056)		(648,056)
(1,725,302)		(1,725,302)
552,512		552,512
747,448		747,448
(20,099)		(20,099)
<u>(368,670)</u>		<u>(368,670)</u>
<u>(4,113,042)</u>	\$ <u>0</u>	<u>(4,113,042)</u>
	(412,005)	(412,005)
	(102,703)	(102,703)
	<u>63,391</u>	<u>63,391</u>
<u>0</u>	<u>(451,317)</u>	<u>(451,317)</u>
<u>(4,113,042)</u>	<u>(451,317)</u>	<u>(4,564,359)</u>
175,954		175,954
20,200		20,200
2,043,912	47,737	2,091,649
1,181,490		1,181,490
244,753		244,753
3,251		3,251
380,968		380,968
<u>2,294</u>	<u>1,472</u>	<u>3,766</u>
<u>4,052,822</u>	<u>49,209</u>	<u>4,102,031</u>
(1,101,742)	1,101,742	0
<u>109,600</u>		<u>109,600</u>
(1,052,362)	699,634	(352,728)
7,837,197	5,972,250	13,809,447
<u>\$ 6,784,835</u>	<u>\$ 6,671,884</u>	<u>\$ 13,456,719</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	Major				
	101 General	250/312 Community Center	402 Revenue Bonds	Non-major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Investments	\$ 239,775	\$ 39,456	\$ 299,554	\$ 239,418	\$ 818,202
Receivables:					
Taxes:					
Property				29,454	29,454
Gross receipts	333,060			25,866	358,926
Lodgers				26,783	26,783
Due from other funds	<u>760,756</u>	<u>301,201</u>	<u> </u>	<u>1,529,472</u>	<u>2,591,429</u>
TOTAL ASSETS	<u><u>\$ 1,333,591</u></u>	<u><u>\$ 340,657</u></u>	<u><u>\$ 299,554</u></u>	<u><u>\$ 1,850,993</u></u>	<u><u>\$ 3,824,795</u></u>
LIABILITIES:					
Accounts payable	\$ 597,683	\$ 34,287	\$ 34,650	\$ 85,721	\$ 752,340
Accrued compensation and benefits	70,320				70,320
Deposits payable	179,701				179,701
Other liabilities		(112)		5,574	5,462
Due to other funds	<u>587,855</u>	<u>428,429</u>	<u>806,579</u>	<u>1,721,932</u>	<u>3,544,795</u>
TOTAL LIABILITIES	1,435,559	462,604	841,229	1,813,227	4,552,619
FUND BALANCES:					
Unreserved, undesignated reported in:					
General fund	(101,968)				(101,968)
Debt Service			(541,675)	(17,728)	(559,403)
Special revenue funds				(64,127)	(64,127)
Capital projects funds	<u> </u>	<u>(121,947)</u>	<u> </u>	<u>119,621</u>	<u>(2,326)</u>
Total fund balances	<u>(101,968)</u>	<u>(121,947)</u>	<u>(541,675)</u>	<u>37,766</u>	<u>(727,824)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,333,591</u></u>	<u><u>\$ 340,657</u></u>	<u><u>\$ 299,554</u></u>	<u><u>\$ 1,850,993</u></u>	<u><u>\$ 3,824,795</u></u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
Year Ended June 30, 2010

Total Fund Balance - Governmental Funds (Governmental Funds Balance Sheet)	\$	(727,824)
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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		26,111,232
Accumulated depreciation		<u>(8,193,921)</u>
 Total capital assets		 17,917,311

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

Debt (bonds, loans and capital leases)		(10,362,729)
Compensated absences payable		<u>(41,923)</u>
 Total long-term and other liabilities		 <u>(10,404,652)</u>

Net assets of governmental activities (Statement of Net Assets)	\$	<u><u>6,784,835</u></u>
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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, 2010

	<u>Major</u>				<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>101</u> <u>General</u>	<u>250/312</u> <u>Community</u> <u>Center</u>	<u>402 Revenue</u> <u>Bonds</u>	<u>Non-major</u> <u>Governmental</u> <u>Funds</u>	
REVENUES:					
Taxes	\$3,423,789			\$ 626,739	\$ 4,050,528
Licenses, permits, fees and fines	126,484			208,587	335,071
Interest	2,129		\$ 165		2,294
Grant	223,445	\$ 428,391		1,106,919	1,758,755
Other	<u>121,854</u>	<u>10,283</u>		<u>159,293</u>	<u>291,430</u>
Total revenues	<u>3,897,701</u>	<u>438,674</u>	<u>165</u>	<u>2,101,538</u>	<u>6,438,078</u>
EXPENDITURES:					
Current:					
General government	2,724,889		181,962	75,468	2,982,319
Public Safety	656,544			71,210	727,754
Highways and Streets	856,222	101,191		169,437	1,126,849
Public transportation				194,809	194,809
Economic and physical development		17,588		37	17,625
Debt Service:					
Principal			593,767	102,600	696,367
Interest			258,838	109,832	368,670
Capital outlay		<u>405,507</u>	<u>1,179,980</u>	<u>728,364</u>	<u>2,313,852</u>
Total expenditures	<u>4,237,655</u>	<u>524,286</u>	<u>2,214,547</u>	<u>1,451,757</u>	<u>8,428,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(339,954)</u>	<u>(85,612)</u>	<u>(2,214,382)</u>	<u>649,781</u>	<u>(1,990,167)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from the issuance of debt	272,254		2,544,291	67,965	2,884,510
Operating transfers in	503,426	244,379	969,644	173,920	1,891,369
Operating transfers out		<u>(241,473)</u>	<u>(1,000,000)</u>	<u>(1,642,038)</u>	<u>(2,883,511)</u>
Total other financing sources (uses)	<u>775,680</u>	<u>2,906</u>	<u>2,513,935</u>	<u>(1,400,153)</u>	<u>1,892,368</u>
NET CHANGE IN FUND BALANCES	435,726	(82,706)	299,553	(750,372)	(97,799)
BEGINNING FUND BALANCES	<u>(537,694)</u>	<u>(39,241)</u>	<u>(841,228)</u>	<u>788,138</u>	<u>(630,025)</u>
ENDING FUND BALANCES	<u>\$ (101,968)</u>	<u>\$ (121,947)</u>	<u>\$ (541,675)</u>	<u>\$ 37,766</u>	<u>\$ (727,824)</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (97,799)

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

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

Depreciation expense	(1,155,031)
Capital outlay	<u>2,313,852</u>
Excess of capital outlay over depreciation expense	1,158,821

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	696,367
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Compensated absences are reported in the statement of activities do not require the use of current financial resources and therefore are reported under the full accrual method, and not the modified accrual method.	(7,189)
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Revenue in the Statement of activities that do not provide current financial resources are reported as revenues in the funds:

Proceeds from debts	(2,884,510)
Interest payable	<u>81,948</u>

Change in net assets of governmental activities (Statement of Activities) \$ (1,052,362)

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, 2010

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,485,817	\$ 1,485,817	\$ 3,423,789	\$ 1,937,972
Licenses, permits, fees & fines	153,000	153,000	126,484	(26,516)
Interest			2,129	2,129
Grant	35,000	35,000	223,445	188,445
Other	<u>65,000</u>	<u>65,000</u>	<u>121,854</u>	<u>56,854</u>
Total revenues	<u>1,738,817</u>	<u>1,738,817</u>	<u>3,897,701</u>	<u>2,158,884</u>
CURRENT EXPENDITURES				
General government	2,581,950	2,581,950	2,724,889	(142,939)
Public safety	453,574	453,574	656,544	(202,970)
Highways and Streets	<u>827,890</u>	<u>827,890</u>	<u>856,222</u>	<u>(28,332)</u>
Total expenditures	<u>3,863,414</u>	<u>3,863,414</u>	<u>4,237,655</u>	<u>(374,241)</u>
OTHER FINANCING SOURCES:				
Debt Proceeds			272,254	272,254
Operating transfers in			<u>503,426</u>	<u>503,426</u>
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>775,680</u>	<u>775,680</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,124,597)</u>	<u>\$ (2,124,597)</u>	<u>\$ 435,726</u>	<u>\$ 2,560,323</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, 2010

	COMMUNITY CENTER			
	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Grant	\$	\$	\$ 428,391	\$ 428,391
Other			10,283	10,283
Total revenues	0	0	438,674	438,674
CURRENT EXPENDITURES				
Highways and Streets			101,191	(101,191)
Economic and physical development			17,588	(17,588)
Capital outlay			405,507	(405,507)
Total expenditures	0	0	524,286	(524,286)
OTHER FINANCING SOURCES:				
Operating transfers in			244,379	244,379
Operating transfers out			(241,473)	(241,473)
Total other financing sources	0	0	2,906	2,906
NET CHANGE IN FUND BALANCE	\$ 0	\$ 0	\$ (82,706)	\$ (82,706)

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
Year Ended June 30, 2010

	<u>Major Enterprise Funds</u>			<u>Total</u>
	<u>Waste Water</u>	<u>Solid Waste</u>	<u>Water</u>	
ASSETS:				
Current assets:				
Cash and investments	\$ 6,667	\$ 59,704	\$ 200	\$ 66,571
Restricted cash and investments	126,504			126,504
Receivables:				
Accounts receivable, net of allowance	36,770	163,792	185,634	386,196
Property tax		6,475		6,475
Due from other funds			1,236,824	1,236,824
Total current assets	<u>169,941</u>	<u>229,971</u>	<u>1,422,658</u>	<u>1,822,570</u>
Capital assets:				
Land and water rights	376,475	49,856	4,780,290	5,206,621
Plant and equipment	9,430,865	2,104,428	8,183,351	19,718,644
Vehicles	5,593	557,507	165,695	728,795
Less accumulated depreciation	<u>(5,143,859)</u>	<u>(1,058,117)</u>	<u>(6,803,023)</u>	<u>(13,004,999)</u>
Total capital assets, net of accumulated depreciation	<u>4,669,074</u>	<u>1,653,674</u>	<u>6,326,313</u>	<u>12,649,060</u>
TOTAL ASSETS	<u>\$ 4,839,015</u>	<u>\$ 1,883,645</u>	<u>\$ 7,748,971</u>	<u>\$ 14,471,631</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	13,500	29,299	166,519	209,318
Accrued compensation and benefits	1,142	8,557	18,179	27,878
Gross receipts tax payable	9,568	8,194	9,740	27,502
Other liabilities			42,597	42,597
Interest payable	96,685	6,696	46,835	150,216
Compensated absences	15,452	5,254	5,938	26,644
Due to other funds	110,379	101,641	63,130	275,150
Capital leases payable - current	1,320	60,063	3,808	65,191
Loans payable - current		154,674	13,295	167,969
Bonds payable - current	<u>88,000</u>			<u>88,000</u>
Total current liabilities	<u>336,046</u>	<u>374,378</u>	<u>370,041</u>	<u>1,080,465</u>
Non-current liabilities:				
Capital leases payable	7,581	188,617	12,658	208,856
Loans payable		1,177,314	161,112	1,338,426
Bonds payable	<u>5,172,000</u>			<u>5,172,000</u>
Total non-current liabilities	<u>5,179,581</u>	<u>1,365,931</u>	<u>173,770</u>	<u>6,719,282</u>
TOTAL LIABILITIES	<u>5,515,627</u>	<u>1,740,309</u>	<u>543,811</u>	<u>7,799,747</u>
NET ASSETS:				
Invested in capital assets, net of related debt	(599,827)	287,743	6,152,543	5,840,459
Restricted for:				
Grant expenditures	126,504			126,504
Unrestricted	<u>(203,289)</u>	<u>(144,407)</u>	<u>1,052,617</u>	<u>704,921</u>
Total net assets	<u>(676,612)</u>	<u>143,336</u>	<u>7,205,160</u>	<u>6,671,884</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,839,015</u>	<u>\$ 1,883,645</u>	<u>\$ 7,748,971</u>	<u>\$ 14,471,631</u>

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, 2010

	<u>Major Enterprise Funds</u>			<u>Total</u>
	<u>Waste Water</u>	<u>Solid Waste</u>	<u>Water</u>	
OPERATING REVENUES:				
Sales and services	\$ 447,608	\$ 803,469	\$1,112,349	\$ 2,363,426
Operating expenses:				
Operating expenses	313,060	577,116	832,458	1,722,634
Depreciation	<u>292,713</u>	<u>250,383</u>	<u>216,500</u>	<u>759,596</u>
Total operating expenses	<u>605,773</u>	<u>827,499</u>	<u>1,048,958</u>	<u>2,482,230</u>
Operating (loss) income	<u>(158,165)</u>	<u>(24,030)</u>	<u>63,391</u>	<u>(118,804)</u>
NON-OPERATING REVENUES (EXPENSES)				
Gross receipts tax		47,737		47,737
Interest income	1,400	72		1,472
Interest expense	(253,840)	(78,673)		(332,513)
Operating transfers in	571,382		1,000,000	1,571,382
Operating transfers out	<u>(34,111)</u>	<u>(119,835)</u>	<u>(315,694)</u>	<u>(469,640)</u>
Total non-operating expenses	<u>284,831</u>	<u>(150,699)</u>	<u>684,306</u>	<u>818,438</u>
NET INCOME (LOSS)	126,666	(174,729)	747,697	699,634
NET ASSETS, BEGINNING OF YEAR	<u>(803,278)</u>	<u>318,065</u>	<u>6,457,463</u>	<u>5,972,250</u>
NET ASSETS, END OF YEAR	<u>\$ (676,612)</u>	<u>\$ 143,336</u>	<u>\$7,205,160</u>	<u>\$ 6,671,884</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, 2010

	<u>Major Enterprise Funds</u>			<u>Total</u>
	<u>Waste Water</u>	<u>Solid Waste</u>	<u>Water</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 419,313	\$ 760,602	\$ 1,055,320	\$ 2,235,235
Cash payments to vendors and employees	<u>(297,863)</u>	<u>(574,198)</u>	<u>(774,250)</u>	<u>(1,646,311)</u>
Net cash provided by operating activity	<u>121,450</u>	<u>186,404</u>	<u>281,070</u>	<u>588,924</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:				
Gross receipts tax revenue		47,912	(14,950)	32,962
(Due to)/due from	(306,352)	278,839	27,513	
Transfer (out) in	<u>537,271</u>	<u>(119,835)</u>	<u>684,306</u>	<u>1,101,742</u>
Net cash provided by non-capital and related financing activities	<u>230,919</u>	<u>206,916</u>	<u>696,869</u>	<u>1,134,704</u>
Cash Flow from Investing Activity				
Interest income	<u>1,400</u>	<u>72</u>	<u> </u>	<u>1,472</u>
Cash Flow from Investing Activity	<u>1,400</u>	<u>72</u>	<u>0</u>	<u>1,472</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets		(51,682)	(143,281)	(194,963)
Debt Proceeds		4,456	74,589	79,045
Principal payment on bonds	(84,000)		(1,000,000)	(1,084,000)
Principal payment on loans		(127,736)		(127,736)
Principal payment on capital leases	(7,863)	(80,053)	(26,417)	(114,333)
Interest payment on bonds, loans and leases	<u>(253,840)</u>	<u>(78,673)</u>	<u> </u>	<u>(332,513)</u>
Net cash used by capital and related financing activities	<u>(345,703)</u>	<u>(333,688)</u>	<u>(1,095,109)</u>	<u>(1,774,500)</u>
NET (DECREASE) INCREASE IN CASH	8,066	59,704	(117,170)	(49,400)
CASH, BEGINNING OF YEAR	<u>125,105</u>	<u>0</u>	<u>117,370</u>	<u>242,475</u>
CASH, END OF YEAR	<u>\$ 133,171</u>	<u>\$ 59,704</u>	<u>\$ 200</u>	<u>\$ 193,075</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, 2010

	Major Enterprise Funds			Total
	Waste Water	Solid Waste	Water	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (158,165)	\$ (24,030)	\$ 63,391	\$ (118,804)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH FLOWS:				
Depreciation expense	292,713	250,383	216,500	759,596
CHANGES IN ASSETS AND LIABILITIES:				
Accounts receivable	(28,295)	(42,868)	(57,030)	(128,193)
Accounts payable	6,772	3,353	50,540	60,665
Accrued expenses	(1)	2,176	3,527	5,702
Compensated absences	8,426	(2,610)	2,652	8,468
Other Liabilities	<u> </u>	<u> </u>	<u>1,490</u>	<u>1,490</u>
Total changes in assets and liabilities	<u>(13,098)</u>	<u>(39,949)</u>	<u>1,179</u>	<u>(51,868)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 121,450</u>	<u>\$ 186,404</u>	<u>\$ 281,070</u>	<u>\$ 588,924</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
Year Ended June 30, 2010

ASSETS:

Cash	\$ 35,402
Accounts receivable	<u>5,686</u>

TOTAL ASSETS	<u>41,088</u>
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LIABILITIES:

Due to governmental funds	8,308
Due to others	<u>32,780</u>

TOTAL LIABILITIES	<u>\$ 41,088</u>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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, 2010.

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 segments 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 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 (GASB). 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. GASB has issued Statement No. 62 that establishes guidance for pre November, 1989 FASB and AICPA pronouncements. This standard will be implemented for the year ended June 30, 2013. The Village does not expect any material changes to the financial statement as a result of implementation on this standard.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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 fund 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 Non exchange 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 is 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 they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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.

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.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

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

Investments

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

Capital Assets

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

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

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

Buildings	25 years
Software	3 years
Vehicle and vehicles under capital lease	5 - 7 years
Machinery and Equipment	10 years
Infrastructure	5 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

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
Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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

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

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

Net Assets

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

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.

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, the Village Administrator submits to the Village Council a proposed operating budget for the fiscal year commencing the following July. 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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2010 consists of the following:

	<u>International Bank</u>	<u>First National Bank</u>	<u>Total</u>
Total amount on deposit	\$ 490,268	\$ 86,667	\$ 576,935
Less FDIC coverage	(250,000)	(86,667)	(336,667)
Total uninsured public funds	240,268		240,268
50% collateral requirement	120,134		120,134
Pledged securities, fair value	<u>420,960</u>	<u>56,261</u>	<u>477,221</u>
Pledged in excess of requirement	<u>\$ 300,826</u>	<u>\$ 56,261</u>	<u>\$ 357,087</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 88 for a reconciliation of bank to book balances.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 2 - CASH AND INVESTMENT (CONTINUED)

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, 2010, the Village had \$85,705 in the LGIP. The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

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

LGIP does not have unit shares. 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, 2010 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, 2010:

Accounts receivable	\$ 1,105,669
Property Tax	6,475
Allowance for uncollectable accounts	<u>(719,473)</u>
Total	<u>\$ 392,671</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

Governmental Activities	Beginning Balance	Additions	Transfer	Ending Balance
Capital assets not being depreciated:				
Land	\$ 563,146			\$ 563,146
Land - right of way	2,622,459			2,622,459
Construction in progress	3,231,222	\$ 693,366	\$ (1,606,729)	2,317,859
Water Rights		750,000		750,000
Total capital assets not being depreciated	<u>6,416,827</u>	<u>1,443,366</u>	<u>(1,606,729)</u>	<u>6,253,464</u>
Capital assets being depreciated:				
Buildings	2,287,863	8,396		2,296,259
Software	263,983			263,983
Vehicles	1,607,910	838,046		2,445,956
Vehicles under capital lease	776,251			776,251
Equipment under capital lease	88,384			88,384
Machinery and equipment	1,301,150	24,045		1,325,195
Infrastructure	<u>11,055,011</u>		<u>1,606,729</u>	<u>12,661,740</u>
Total capital assets being depreciated	<u>17,380,552</u>	<u>870,487</u>	<u>1,606,729</u>	<u>19,857,768</u>
Less accumulated depreciation for:				
Buildings	(643,192)	(92,074)		(735,266)
Software	(260,422)	(3,561)		(263,983)
Vehicles	(1,311,208)	(157,784)		(1,468,992)
Vehicles under capital lease	(635,726)	(55,141)		(690,867)
Equipment under capital lease	(12,626)			(12,626)
Machinery and equipment	(934,594)	(128,532)		(1,063,126)
Water rights		(10,417)		(10,417)
Infrastructure	<u>(3,241,122)</u>	<u>(707,522)</u>		<u>(3,948,644)</u>
Total accumulated depreciation	<u>(7,038,890)</u>	<u>(1,155,031)</u>		<u>(8,193,921)</u>
Total capital assets being depreciated, net	<u>10,341,662</u>	<u>(284,544)</u>	<u>1,606,729</u>	<u>11,663,847</u>
Governmental activities capital assets, net	<u>\$ 16,758,489</u>	<u>\$ 1,158,822</u>	<u>\$ 0</u>	<u>\$ 17,917,311</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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
Construction in progress		\$ 96,290		96,290
Water rights	<u>4,250,000</u>			<u>4,250,000</u>
Total capital assets not being depreciated	<u>5,110,331</u>	<u>96,290</u>	<u>\$ 0</u>	<u>5,206,621</u>
Capital assets being depreciated:				
Plant and system	18,772,829	44,125		18,816,954
Equipment	854,699	46,991		901,690
Vehicles	<u>721,238</u>	<u>7,557</u>		<u>728,795</u>
Total capital assets being depreciated	<u>20,348,766</u>	<u>98,673</u>	<u>0</u>	<u>20,447,439</u>
Total capital assets	<u>25,459,097</u>	<u>194,963</u>		<u>25,654,060</u>
Less accumulated depreciation for:				
Plant and system	(11,619,171)	(552,733)		(12,171,904)
Equipment	(232,930)	(124,024)		(356,954)
Vehicles	<u>(393,304)</u>	<u>(82,838)</u>		<u>(476,142)</u>
Total accumulated depreciation	<u>(12,245,405)</u>	<u>(759,595)</u>	<u>0</u>	<u>(13,005,000)</u>
Total capital assets being depreciated, net	<u>8,103,361</u>	<u>(660,922)</u>	<u>0</u>	<u>7,442,439</u>
Business-type activities capital assets, net	<u>\$ 13,213,692</u>	<u>\$ (564,632)</u>	<u>\$ 0</u>	<u>\$ 12,649,060</u>

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

Governmental activities:	
General government	\$ 215,098
Public safety	272,091
Highways and streets	617,326
Culture and recreation	225
Public transportation	47,817
Economic and physical development	<u>2,474</u>
Total depreciation expense	<u>1,155,031</u>
Business-type activities:	
Waste water	216,500
Solid waste	250,382
Water	<u>292,713</u>
Total depreciation expense	<u>\$ 759,595</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 5 - LONG-TERM OBLIGATIONS - GOVERNMENTAL ACTIVITIES

During the year ended June 30, 2010, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loans payable	\$ 1,962,733	\$ 2,466,535	\$ 357,142	\$ 4,072,126	\$ 297,003
Bonds payable	5,774,632	417,975	267,339	5,925,268	315,505
Capital leases	437,221		71,886	365,335	42,737
Compensated absences	34,734	31,503	24,314	41,923	41,923
Total	\$ 8,209,320	\$ 2,916,013	\$ 720,681	\$ 10,404,652	\$ 697,168

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 transfer funds to the debt service fund for principal and interest payments. These funds are being used for operations.

Loans Payable

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

Year Ending June 30	Principal	Interest	Total
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	94,649	11,145	105,794
2016	98,112	7,690	105,802
2017	101,830	3,982	105,812
Total	\$ 643,310	\$ 90,543	\$ 733,853

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

Year Ending June 30	Principal	Interest	Total
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	16,000	640	16,640
Total	\$ 74,000	\$ 9,080	\$ 83,080

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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

On November, 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>
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	18,264	2,670	20,934
2016-2018	58,537	4,264	62,801
Totals	<u>\$ 144,869</u>	<u>\$ 22,602</u>	<u>\$ 167,471</u>

On August, 2008, the Village obtained a loan 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>
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	29,000	23,300	52,300
2016-2020	167,000	96,700	263,700
2021-2025	206,000	58,200	264,200
2026-2028	169,000	12,700	181,700
Totals	<u>\$ 677,000</u>	<u>\$ 295,500</u>	<u>\$ 972,500</u>

On September, 2008, the Village obtained a loan 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 \$107,000. The future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	4,000	4,000	8,000
2016-2020	30,000	16,700	46,700
2021-2025	32,000	10,300	42,300
2026-2028	25,000	2,600	27,600
Totals	<u>\$ 107,000</u>	<u>\$ 51,200</u>	<u>\$ 158,200</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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

On June, 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 \$401,261 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>
2011	\$ 100,000	\$ 5,627	\$ 105,627
2012	105,000	8,600	113,600
2013	110,000	4,400	114,400
2014	86,261	4,000	90,261
Totals	\$ 401,261	\$ 18,627	\$ 419,888

On February, 2010, the Village obtained a loan from New Mexico Finance Authority Loan 2373-PP in the amount of \$1,118,245 for the purpose of Water Rights Refunding (CS Cattle Loan) for the Village of Angel Fire. The Village made a principal payment of \$16,650 during the year and had an outstanding balance of \$1,101,595 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>
2011	\$ 54,441	\$ 34,552	\$ 88,993
2012	54,958	33,964	88,922
2013	55,617	33,217	88,834
2014	56,452	32,267	88,719
2015	57,519	31,072	88,591
2016-2020	311,418	130,086	441,504
2021-2025	348,980	71,887	420,867
2026-2027	162,210	7,236	169,446
Totals	\$ 1,101,595	\$ 374,281	\$ 1,475,876

On February, 2010, the Village obtained a loan from New Mexico Finance Authority Loan 2373-PP in the amount of \$923,091 for the purpose of Water Rights Refunding (CS Cattle Loan) 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>
2011	\$	\$ 42,146	\$ 42,146
2012		42,146	42,146
2013		42,146	42,146
2014		42,146	42,146
2015		42,146	42,146
2016-2020		168,585	168,585
2021-2025	54,661	206,570	261,231
2026-2030	255,052	183,934	438,986
2031-2034	613,378	75,028	688,406
Totals	\$ 923,091	\$ 802,701	\$ 1,725,792

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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

Bonds Payable

The Village issued \$700,000 in Rural Utilities Service Bonds on January, 1997. The bonds mature January, 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>
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	13,000	27,550	40,550
2016-2020	77,000	103,550	180,550
2021-2025	100,000	105,750	205,750
2026-2030	126,000	78,250	204,250
2031-2035	160,000	43,550	203,550
2036-2037	75,000	5,650	80,650
Totals	\$ 598,000	\$ 480,550	\$ 1,078,550

The Village issued \$400,000 in General Obligation Bonds on January, 1999. The bonds mature August, 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>
2011	\$ 40,000	\$ 6,013	\$ 46,013
2012	45,000	4,252	49,252
2013	50,000	2,250	52,250
Total	\$ 135,000	\$ 12,515	\$ 147,515

The Village issued \$750,000 in Gross Receipts Tax Revenue Bonds, Series 2003, on July, 2003. The bonds mature January, 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>
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	58,651	10,648	69,299
2016-2018	192,460	15,438	207,898
Total	\$ 461,276	\$ 93,117	\$ 554,393

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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

On September, 2007, the Village issued \$1,886,042 in Joint Utility System Improvement Revenue Bonds, Series 2007. The bonds mature on September, 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. The outstanding balance for these bonds at June 30, 2010 was \$1,768,529. 2007 Joint Utility System Improvement Revenue Bonds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 67,068	\$ 74,800	\$ 141,868
2012	69,918	81,949	151,867
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	520,477	55,526	576,003
Total	\$ 1,768,529	\$ 803,620	\$ 2,572,149

On October, 2007, the Village issued \$2,855,664 in Improvement District Bonds, Series 2007. The bonds mature on December, 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>
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	125,600	86,830	212,430
2016-2020	710,300	352,019	1,062,319
2021-2025	869,400	192,921	1,062,321
2026-2029	399,664	24,889	424,553
Total	\$ 2,559,764	\$ 1,051,830	\$ 3,611,594

On December, 2009, the Village issued \$417,975 in State Shared Gross Receipts Tax Revenue Bonds (Ladder Truck Loan), Series 2009. The date of maturity of the bonds is on May, 2019. The proceeds of the bonds were used to purchase of Ladder Truck within the Village. 2009 State Shared Gross Receipts Tax Revenue Bonds (Ladder Truck Loan):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 41,449	\$ 9,578	\$ 51,027
2012	41,880	9,070	50,950
2013	42,466	8,396	50,862
2014	43,227	7,541	50,768
2015	44,178	6,495	50,673
2016-2019	189,499	12,507	50,673
Total	\$ 402,699	\$ 53,587	\$ 456,286

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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

Capital Leases

The Village is obligated under lease purchase contracts. In the opinion of the counsel for the Village, these lease purchase contracts comply with the *Montano vs. Gabaldon* decision, in that payments for these leases will be made from the 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>
2011	\$ 42,737	\$ 11,001	\$ 53,738
2012	110,191	8,680	118,871
2013	111,718	7,154	118,872
2014	100,689	7,538	108,227
Total	\$ 365,335	\$ 34,373	\$ 399,708

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 — BUSINESS TYPE ACTIVITIES.

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	\$ 1,555,086	\$ 84,980	\$ 133,671	\$ 1,506,395	\$ 167,969
Bonds payable	6,344,000		1,084,000	5,260,000	88,000
Capital leases	388,380		114,333	274,047	65,191
Compensated absences	18,176	11,078	2,611	26,644	26,644
Total	\$ 8,305,642	\$ 96,058	\$1,334,615	\$ 7,067,086	\$ 347,804

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 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
Year Ended June 30, 2010

NOTE 6 - LONG-TERM DEBT — BUSINESS - TYPE ACTIVITIES (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>
2011	\$ 9,010	\$ 228	\$ 9,238
2012	9,033	205	9,238
2013	9,055	183	9,238
2014	9,078	160	9,238
2015	9,101	137	9,238
2016-2020	45,850	345	46,195
Total	\$ 91,127	\$ 1,258	\$ 92,385

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>
2011	\$ 60,326	\$ 32,581	\$ 92,907
2012	62,564	30,500	93,064
2013	64,956	28,270	93,226
2014	67,516	27,448	94,964
2015	70,250	24,720	94,970
2016-2020	399,116	75,857	474,973
2021	118,077	4,182	122,259
Total	\$ 842,805	\$ 223,558	\$ 1,066,363

On April 06, 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>
2011	\$ 10,348	\$ 725	\$ 11,073
2012	11,501	372	11,873
Total	\$ 21,849	\$ 1,097	\$ 22,946

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>
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	43,000	6,294	49,294
2016-2019	131,667	10,086	141,753
Total	\$ 335,667	\$ 53,356	\$ 389,023

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 6 - LONG-TERM DEBT — BUSINESS - TYPE ACTIVITIES (CONTINUED)

On November, 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>
2011	\$ 45,000	\$ 3,746	\$ 48,746
2012	46,000	2,630	48,630
2013	40,667	1,388	42,055
Total	<u>\$ 131,667</u>	<u>\$ 7,764</u>	<u>\$ 139,431</u>

On June, 2010, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$84,980 for purchase and installation of gallon tank to increase water storage capacity. The future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 4,285	\$ 208	\$ 4,493
2012	4,296	197	4,493
2013	4,307	187	4,494
2014	4,317	176	4,493
2015	4,328	165	4,493
2016-2020	21,805	663	18,525
2021-2025	22,080	389	18,525
2026-2029	17,862	112	18,525
Total	<u>\$ 83,280</u>	<u>\$ 2,097</u>	<u>\$ 85,377</u>

Bonds Payable

The Village issued \$3,000,000 in Water System and Waste Water System Revenue Bonds, Series 1998, for the purpose of constructing water systems and a waste water system and related facilities. The bonds mature September, 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 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>
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	53,000	115,948	168,948
2016-2020	305,000	539,600	844,600
2021-2025	384,000	459,895	843,895
2026-2030	484,000	359,670	843,670
2031-2035	611,000	233,273	844,273
2036-2039	604,000	73,530	677,530
Total	<u>\$ 2,630,000</u>	<u>\$ 2,268,696</u>	<u>\$ 4,898,696</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 6 - LONG-TERM DEBT — BUSINESS - TYPE ACTIVITIES (CONTINUED)

The Village issued \$3,000,000 in Water System and Waste Water System Revenue Bonds, Series 1999, for the purpose of constructing water systems and a waste water system and related facilities. The bonds mature June, 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>
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	53,000	115,948	168,948
2016-2020	305,000	539,601	844,601
2021-2025	384,000	459,897	843,897
2026-2030	484,000	359,672	843,672
2031-2035	611,000	233,273	844,273
2036-2039	604,000	73,531	677,531
Total	\$ 2,630,000	\$ 2,268,702	\$ 4,898,702

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 costs and carrying value of the assets under lease are separately stated in the capital assets footnote. The future requirements for capital leases are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 65,191	\$ 14,250	\$ 79,441
2012	70,224	9,220	79,444
2013	61,123	4,087	65,210
2014	77,509	567	78,076
Total	\$ 274,047	\$ 28,124	\$ 302,171

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 7 - INTERFUND BALANCES

The following are amounts owed between funds and are classified as due from/to other funds at June 30, 2010.

Due From Other Funds	Amount	Due To Other Funds	Amount
Major Governmental Funds:		Major Governmental Funds:	
General Fund	\$ 760,756	General Fund	\$ (587,855)
Community Center	<u>301,201</u>	Community Center	(428,429)
		Revenue Bonds	<u>(806,579)</u>
Total Major Governmental Funds	<u>1,061,957</u>	Total Major Governmental Funds	<u>(1,822,863)</u>
Nonmajor Governmental Funds:		Nonmajor Governmental Funds:	
Emergency Medical Services	4,619	Corrections Fund	(1,750)
Fire Protection	150,000	FEMA Fund	(130,611)
Lodgers Tax Reserve	435,642	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	Lodger's Tax Chamber	(1,750)
Forest Thinning	7,370	Street Project	(401,158)
Hwy 434 Assessment	151,611	Back Basin Road	(37,334)
Map Grant	52,672	Fire Protection Facility	(24,152)
Lagoon Cleanup	104,499	Forest Thinning	(9,989)
Capital Building Watertank	9,240	Hwy 434 Assessment	(21,705)
Law Enforcement Fund	11,967	MAP Grant	(60,406)
Hud assessment district	<u>15,409</u>	Lagoon Cleanup	(169,097)
		Capital Building Watertank	(7,900)
		Law Enforcement Fund	(11,967)
		Hud assessment district	(15,409)
		Ambulance Service fund	(17,728)
		Transit Facility	<u>(401,102)</u>
Total Nonmajor Governmental Funds	<u>1,529,472</u>	Total Nonmajor Governmental Funds	<u>(1,721,932)</u>
Enterprise Funds:		Enterprise Funds:	
Water Fund	1,236,824	Waste Water	(110,379)
		Solid Waste	(101,640)
		Water	<u>(63,130)</u>
Total Enterprise Funds	<u>1,236,824</u>	Total Enterprise Funds	<u>(275,149)</u>
		Agency Fund:	
		Motor Vehicle Fund	<u>(8,308)</u>
Grand Total	<u>\$ 3,828,253</u>	Grand Total	<u>\$ (3,828,253)</u>

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

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 8 - TRANSFERS

Inter-agency transfers at June 30, 2010 consisted of the following:

Transfer In			Transfer Out		
Fund No.	Fund Description	Amount	Fund No.	Fund Description	Amount
101	General Fund	\$ 503,426	202	USDA Air Burner	\$ 61,893
201	Correction Fund	33,211	206	EMS Fund	26,381
219	Teen Court	2,483	209	Fire Protection	252,544
260	Fire Donation	28,675	210	Correction Law Enforcement Protection	6,783
312	Community Center Capital Bldg.	244,379	211		10,835
314	Watertank	13,752	213	Lodgers Tax	398,685
316	Forest Thinnin	44	216	Public Works	52,453
318	Lagoon Cleanup	6,027	217	Recreation	46,453
330	Back Basin Road	89,729	224	Transportation Transportation-Welfare to work	55,102
402	Revenue Bonds	969,644	225		12,065
503	Sewer Fund	571,382	233	Motor Vehicle	109,600
508	Water Right	<u>1,000,000</u>	250	Community Center	241,473
			310	Public Safety	441,746
			320	Transit Facility	179
			350	Street-Project Fund	263,263
			381	Fire Protection	175
			402	Revenue Bond	1,000,000
			403	Debt Service Sewer Bond	34,111
			504	Solid Waste	119,835
			505	Water Fund	311,262
			507	HWY 434 Assessment	13,482
			508	Water Rights	<u>4,432</u>
				Total transfers	<u>\$ 3,462,752</u>
	Total transfers	<u>\$ 3,462,752</u>			

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE 9 - DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balances at June 30, 2010:

General Fund	\$ (101,968)
Community Center	(121,947)
Revenue Bonds	(541,675)
FEMA	(130,611)
Emergency Medical Services	(5,336)
Public Works	(63,126)
Teen Court	(9,364)
Transportation	(246,493)
Lodger's Tax Chamber	(1,750)
Street Project	(270,652)
Back Basin Road	(37,289)
Forest Thinning	(2,619)
MAP Grant	(7,734)
Lagoon Cleanup	(126,237)
Transit Facility	(241,104)
Ambulance Service	<u>(17,728)</u>
Total	<u>\$ (1,666,801)</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 lined on January 1 of the year for which the taxes are imposed.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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 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, 2010, 2009 and 2008 were \$223,386, \$206,584 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 - POST EMPLOYMENT 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, 2010, 2009 and 2008, 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
Year Ended June 30, 2010

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, 2010, 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, 2010. 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, 2010.

2011	\$ 39,653
2012	5,000
2013	5,000
2014	5,000
2015	<u>5,000</u>
Total	<u>\$ 59,653</u>

NOTE 15 - BUDGET OVERAGES

The budget for the following funds was overspent during fiscal year 2010:

General	\$ (374,241)
Waste Water	\$ (253,006)
Water	\$ (22,371)
Solid Waste	\$ (80,630)

The following funds were not appropriately budgeted for but were utilized in fiscal year 2010:

Community Center	Fire Donations
Lodger's Tax Reserve	Street Project
Public Works	Back Basin Road
Teen Court	Fire Protection Facility
Transportation	HWY 434 Assessment
Revenue Bonds	Capital Building Watertank

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

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 - SUBSEQUENT EVENTS

Subsequent to June 30, 2010, the Village entered into the following transactions:

- In July, 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.
- In September, 2010, the Village accepted New Mexico Fire Protection Grant for \$100,000 for a Type 3 Wild Urban Interface Truck.

NOTE 18 - UNFAVORABLE ECONOMIC CONDITION

Even though for fiscal year 2010 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.

SUPPLEMENTARY INFORMATION

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
Year Ended June 30, 2010

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 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 29-13-14

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.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
Year Ended June 30, 2010

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.

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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NON-MAJOR FUNDS
Year Ended June 30, 2010

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.

Transit Facility

To account for the monies received and expended for construction associated with the transit facility.

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
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS				
	201/210	202	205	206	209
	Corrections	USDA Air Burner	FEMA	Emergency Medical Services	Fire Protection
ASSETS:					
Cash and cash equivalent	\$	\$	\$	\$ 663	\$ 12,838
Receivables:					
Taxes:					
Property tax					
Gross receipts tax					
Lodgers tax					
Due from other funds				4,619	150,000
				<u>4,619</u>	<u>150,000</u>
TOTAL ASSETS	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,282</u>	\$ <u>162,838</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
Accounts payable	\$ (33,211)	\$	\$	\$	\$
Other liabilities					
Due to other funds	<u>1,750</u>		<u>130,611</u>	<u>10,618</u>	<u>1,340</u>
				<u>10,618</u>	<u>1,340</u>
TOTAL LIABILITIES	<u>(31,461)</u>	<u>0</u>	<u>130,611</u>	<u>10,618</u>	<u>1,340</u>
FUND BALANCES:					
Unreserved, undesignated:					
Debt service					
Special revenue	31,461		(130,611)	(5,336)	161,498
Capital projects					
	<u>31,461</u>	<u>0</u>	<u>(130,611)</u>	<u>(5,336)</u>	<u>161,498</u>
TOTAL FUND BALANCES	<u>31,461</u>	<u>0</u>	<u>(130,611)</u>	<u>(5,336)</u>	<u>161,498</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>5,282</u>	\$ <u>162,838</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS				
	211	213	216	217	219
	Law Enforcement Protection	Lodgers Tax Reserve	Public Works	Recreation	Teen Court
ASSETS:					
Cash and cash equivalent	\$ 1,000			\$ 44,055	
Receivables:					
Taxes:					
Property tax			3,569		
Gross receipts tax					
Lodgers tax		26,783			
Due from other funds	<u>11,967</u>	<u>435,642</u>		<u>275</u>	
TOTAL ASSETS	<u>\$ 12,967</u>	<u>\$ 462,425</u>	<u>\$ 3,569</u>	<u>\$ 44,330</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
Accounts payable		\$ 34,006			
Other liabilities					
Due to other funds	<u>11,967</u>		<u>66,695</u>		<u>9,364</u>
TOTAL LIABILITIES	<u>11,967</u>	<u>34,006</u>	<u>66,695</u>	<u>0</u>	<u>9,364</u>
FUND BALANCES:					
Unreserved, undesignated:					
Debt service					
Special revenue	1,000	428,419	(63,126)	44,330	(9,364)
Capital projects					
TOTAL FUND BALANCES	<u>1,000</u>	<u>428,419</u>	<u>(63,126)</u>	<u>44,330</u>	<u>(9,364)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,967</u>	<u>\$ 462,425</u>	<u>\$ 3,569</u>	<u>\$ 44,330</u>	<u>\$ 0</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS				
	224	225	260	261	215
	Transportation	Transportation - Welfare to Work	Fire Donations	EMS Donations	Lodger's Tax Chamber
ASSETS:					
Cash and cash equivalent	\$	\$	\$	\$ 340	\$
Receivables:					
Taxes:					
Property tax					
Gross receipts tax					
Lodgers tax					
Due from other funds	80,938	_____	4,071	_____	_____
TOTAL ASSETS	\$ 80,938	\$ 0	\$ 4,071	\$ 340	\$ 0
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
Accounts payable	\$	\$	\$ 3,187	\$	\$
Other liabilities	5,574				
Due to other funds	321,857	_____	_____	_____	1,750
TOTAL LIABILITIES	327,431	0	3,187	0	1,750
FUND BALANCES:					
Unreserved, undesignated:					
Debt service					
Special revenue	(246,493)		884	340	(1,750)
Capital projects	_____	_____	_____	_____	_____
TOTAL FUND BALANCES	(246,493)	0	884	340	(1,750)
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,938	\$ 0	\$ 4,071	\$ 340	\$ 0

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS			
	350	330/378	381	
	Street Project	Back Basin Road	Fire Protection Facility	Total Special Revenue
ASSETS:				
Cash and cash equivalent	\$ 4,640	\$ 45	\$ 6,410	\$ 69,991
Receivables:				
Taxes:				
Property tax				3,569
Gross receipts tax	25,866			25,866
Lodgers tax				26,783
Due from other funds	100,000	_____	_____	787,512
TOTAL ASSETS	\$ 130,506	\$ 45	\$ 6,410	\$ 913,721
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts payable	\$	\$	\$ (50,304)	\$ (46,322)
Other liabilities				5,574
Due to other funds	401,158	37,334	24,152	1,018,596
TOTAL LIABILITIES	401,158	37,334	(26,152)	977,848
FUND BALANCES:				
Unreserved, undesignated:				
Debt service				0
Special revenue	(270,652)	(37,289)	32,562	(64,127)
Capital projects	_____	_____	_____	0
TOTAL FUND BALANCES	(270,652)	(37,289)	32,562	(64,127)
TOTAL LIABILITIES AND FUND BALANCES	\$ 130,506	\$ 45	\$ 6,410	\$ 913,721

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	CAPITAL PROJECTS FUNDS				
	310	316	507	360	318
	<u>Public Safety Building</u>	<u>Forest Thinning</u>	<u>HWY 434 Assessment</u>	<u>MAP Grant</u>	<u>Lagoon Cleanup</u>
ASSETS:					
Cash and cash equivalent	\$	\$	\$ 9,429	\$	\$
Receivables:					
Taxes:					
Property tax	25,885				
Gross receipts tax					
Lodgers tax					
Due from other funds	<u>401,159</u>	<u>7,370</u>	<u>151,611</u>	<u>52,672</u>	<u>104,499</u>
TOTAL ASSETS	<u>\$ 427,044</u>	<u>\$ 7,370</u>	<u>\$ 161,040</u>	<u>\$ 52,672</u>	<u>\$ 104,499</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
Accounts payable	\$ 69,153	\$	\$	\$	\$ 61,639
Other liabilities					
Due to other funds	<u> </u>	<u>9,989</u>	<u>21,705</u>	<u>60,406</u>	<u>169,097</u>
TOTAL LIABILITIES	<u>69,153</u>	<u>9,989</u>	<u>21,705</u>	<u>60,406</u>	<u>230,736</u>
FUND BALANCES:					
Unreserved, undesignated:					
Debt service					
Special revenue					
Capital projects	<u>357,891</u>	<u>(2,619)</u>	<u>139,335</u>	<u>(7,734)</u>	<u>(126,237)</u>
TOTAL FUND BALANCES	<u>357,891</u>	<u>(2,619)</u>	<u>139,335</u>	<u>(7,734)</u>	<u>(126,237)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 427,044</u>	<u>\$ 7,370</u>	<u>\$ 161,040</u>	<u>\$ 52,672</u>	<u>\$ 104,499</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

	CAPITAL PROJECTS FUNDS			
	314	320/321	319	
	Capital Building Water tank	Transit Facility	HUD Assessment District	Total Capital Projects
ASSETS:				
Cash and cash equivalent	\$	\$ 159,998	\$	\$ 169,427
Receivables:				
Taxes:				
Property tax				25,885
Gross receipts tax				0
Lodgers tax				0
Due from other funds	9,240	_____	15,409	741,960
TOTAL ASSETS	\$ 9,240	\$ 159,998	\$ 15,409	\$ 937,272
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts payable	\$ 1,251	\$	\$	\$ 132,043
Other liabilities				0
Due to other funds	7,900	401,102	15,409	685,608
TOTAL LIABILITIES	9,151	401,102	15,409	817,651
FUND BALANCES:				
Unreserved, undesignated:				
Debt service				0
Special revenue				0
Capital projects	89	(241,104)	_____	119,621
TOTAL FUND BALANCES	89	(241,104)	0	119,621
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,240	\$ 159,998	\$ 15,409	\$ 937,272

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE BALANCE SHEET-NON-MAJOR FUNDS
Year Ended June 30, 2010**

DEBT SERVICE FUNDS

405

	<u>Ambulance Service</u>	<u>Total Debt Service</u>	<u>Total Non- major</u>
ASSETS:			
Cash and cash equivalent	\$	\$ 0	\$ 239,418
Receivables:			
Taxes:			
Property tax		0	29,454
Gross receipts tax		0	25,866
Lodgers tax		0	26,783
Due from other funds		0	1,529,472
	<u>0</u>	<u>0</u>	<u>1,850,993</u>
TOTAL ASSETS	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,850,993</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES			
Accounts payable	\$	\$ 0	\$ 85,721
Other liabilities		0	5,574
Due to other funds	<u>17,728</u>	<u>17,728</u>	<u>1,721,932</u>
	<u>17,728</u>	<u>17,728</u>	<u>1,813,227</u>
TOTAL LIABILITIES	<u>17,728</u>	<u>17,728</u>	<u>1,813,227</u>
FUND BALANCES:			
Unreserved, undesignated:			
Debt service	(17,728)	(17,728)	(17,728)
Special revenue		0	(64,127)
Capital projects		0	119,621
	<u>(17,728)</u>	<u>(17,728)</u>	<u>37,766</u>
TOTAL FUND BALANCES	<u>(17,728)</u>	<u>(17,728)</u>	<u>37,766</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,850,993</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010**

	<u>SPECIAL REVENUE FUNDS</u>			
	201/210	202	205	206
	<u>Corrections</u>	<u>USDA Air Burner</u>	<u>FEMA</u>	<u>Emergency Medical Services</u>
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, permits, fees and fines				
State Grant				30,903
Other	<u>6,037</u>	<u> </u>	<u> </u>	<u>663</u>
Total revenues	<u>6,037</u>	<u> </u>	<u> </u>	<u>31,566</u>
EXPENDITURES:				
Current:				
General government				
Public safety				2,741
Highways and Streets				1,781
Public transportation				
Economic & Physical development				
Capital outlay				
Debt service - interest				
Debt service - principal				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u>4,522</u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>6,037</u>	<u> </u>	<u> </u>	<u>27,044</u>
OTHER FINANCING SOURCES (USES)				
Proceed from the issuance of debt				
Operating transfers in	33,211			
Operating transfers out	<u>(6,783)</u>	<u>(61,893)</u>	<u> </u>	<u>(26,381)</u>
Total other financing sources	<u>26,428</u>	<u>(61,893)</u>	<u> </u>	<u>(26,381)</u>
NET CHANGE IN FUND BALANCES	32,465	(61,893)		663
FUND BALANCE, BEGINNING OF YEAR	<u>(1,004)</u>	<u>61,893</u>	<u>30,611</u>	<u>(5,999)</u>
FUND BALANCE , END OF YEAR	<u>\$ 31,461</u>	<u>\$</u>	<u>\$30,611</u>	<u>\$ (5,336)</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS			
	209	211	213	216
	Fire	Law	Lodgers	
	<u>Protection</u>	<u>Enforcement</u>	<u>Tax</u>	<u>Public</u>
		Protection	Reserve	Works
REVENUES:				
Taxes	\$	\$	\$ 244,752	\$
Licenses, permits, fees and fines				
State Grant	272,569	21,960		
Other	<u> </u>	<u> </u>	<u>25,694</u>	<u>161</u>
Total revenues	<u>272,569</u>	<u>21,960</u>	<u>270,446</u>	<u>161</u>
EXPENDITURES:				
Current:				
General government	11,294		61,691	
Public safety	48,356	12,446		
Highways and Streets	19,328	344	53,498	5,000
Public transportation				
Economic & Physical development				
Capital outlay				
Debt service - interest				
Debt service - principal	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>78,978</u>	<u>12,790</u>	<u>115,189</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>193,591</u>	<u>9,170</u>	<u>155,257</u>	<u>(4,839)</u>
OTHER FINANCING SOURCES (USES)				
Proceed from the issuance of debt				
Operating transfers in				
Operating transfers out	<u>(252,544)</u>	<u>(10,835)</u>	<u>(398,685)</u>	<u>(52,453)</u>
Total other financing sources	<u>(252,544)</u>	<u>(10,835)</u>	<u>(398,685)</u>	<u>(52,453)</u>
NET CHANGE IN FUND BALANCES	(58,953)	(1,665)	(243,428)	(57,292)
FUND BALANCE, BEGINNING OF YEAR	<u>220,451</u>	<u>2,665</u>	<u>671,847</u>	<u>(5,834)</u>
FUND BALANCE , END OF YEAR	<u>\$ 161,498</u>	<u>\$ 1,000</u>	<u>\$ 428,419</u>	<u>\$ (63,126)</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
 Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS			
	217	219	224	225
	Recreation	Teen Court	Transportation	Transportation - Welfare to Work
REVENUES:				
Taxes	\$ 1,019	\$	\$	\$
Licenses, permits, fees and fines			20,352	132
State Grant			400,952	
Other	<u>124,346</u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>125,365</u>	<u> </u>	<u>421,304</u>	<u>132</u>
EXPENDITURES:				
Current:				
General government		2,483		
Public safety				
Highways and Streets				
Public transportation			194,809	
Economic & Physical development				
Capital outlay	115,695		115,800	
Debt service - interest				
Debt service - principal	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>115,695</u>	<u>2,483</u>	<u>310,609</u>	<u> </u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>9,670</u>	<u>(2,483)</u>	<u>110,695</u>	<u>132</u>
OTHER FINANCING SOURCES (USES)				
Proceed from the issuance of debt				
Operating transfers in		2,483		
Operating transfers out	<u>(46,453)</u>	<u> </u>	<u>(55,102)</u>	<u>(12,065)</u>
Total other financing sources	<u>(46,453)</u>	<u>2,483</u>	<u>(55,102)</u>	<u>(12,065)</u>
NET CHANGE IN FUND BALANCES	(36,783)		55,593	(11,933)
FUND BALANCE, BEGINNING OF YEAR	<u>81,113</u>	<u>(9,364)</u>	<u>(302,086)</u>	<u>11,933</u>
FUND BALANCE , END OF YEAR	<u>\$ 44,330</u>	<u>\$ (9,364)</u>	<u>\$ (246,493)</u>	<u>\$</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS			
	260	261	215	350
	Fire	EMS	Lodger's Tax	Street
	<u>Donations</u>	<u>Donations</u>	<u>Chamber</u>	<u>Project</u>
REVENUES:				
Taxes	\$	\$	\$	\$ 190,325
Licenses, permits, fees and fines				
State Grant				
Other	_____	_____	_____	_____
Total revenues	_____	_____	_____	<u>190,325</u>
EXPENDITURES:				
Current:				
General government				
Public safety	31,819			
Highways and Streets	4,926			41,760
Public transportation				
Economic & Physical development				
Capital outlay				
Debt service - interest				
Debt service - principal	_____	_____	_____	_____
Total expenditures	<u>36,745</u>	_____	_____	<u>41,760</u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>(36,745)</u>	_____	_____	<u>148,565</u>
OTHER FINANCING SOURCES (USES)				
Proceed from the issuance of debt				
Operating transfers in	28,675			
Operating transfers out	_____	_____	_____	<u>(263,263)</u>
Total other financing sources	<u>28,675</u>	_____	_____	<u>(263,263)</u>
NET CHANGE IN FUND BALANCES	(8,070)			(114,698)
FUND BALANCE, BEGINNING OF YEAR	<u>8,954</u>	<u>340</u>	<u>(1,750)</u>	<u>(155,954)</u>
FUND BALANCE , END OF YEAR	<u>\$ 884</u>	<u>\$ 340</u>	<u>\$ (1,750)</u>	<u>\$ (270,652)</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS		
	330/378	381	
	Back Basin	Fire	
	Road	Protection	Total Special
	_____	Facility	Revenue
	_____	_____	_____
REVENUES:			
Taxes	\$	\$	\$ 436,096
Licenses, permits, fees and fines			20,484
State Grant			726,384
Other			156,901
	_____	_____	_____
Total revenues	_____	_____	1,339,865
	_____	_____	_____
EXPENDITURES:			
Current:			
General government			75,468
Public safety		(24,152)	71,210
Highways and Streets	27,790		154,427
Public transportation			194,809
Economic & Physical development			
Capital outlay	69,765	58,201	359,461
Debt service - interest			
Debt service - principal			
	_____	_____	_____
Total expenditures	97,555	34,049	855,375
	_____	_____	_____
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	(97,555)	(34,049)	484,490
	_____	_____	_____
OTHER FINANCING SOURCES (USES)			
Proceed from the issuance of debt	7,825	60,140	67,965
Operating transfers in	89,729		154,098
Operating transfers out		(175)	(1,186,632)
Total other financing sources	97,554	59,965	(964,569)
	_____	_____	_____
NET CHANGE IN FUND BALANCES	(1)	25,916	(480,079)
	_____	_____	_____
FUND BALANCE, BEGINNING OF YEAR	(37,288)	6,646	415,952
	_____	_____	_____
FUND BALANCE , END OF YEAR	\$ (37,289)	\$ 32,562	\$ (64,127)
	_____	_____	_____

**VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010**

	CAPITAL PROJECTS FUNDS				
	310	316	507	360	318
	Public Safety Building	Forest Thinning	HWY 434 Assessment	MAP Grant	Lagoon Cleanup
REVENUES:					
Taxes	\$ 190,643	\$	\$	\$	\$
Licenses, permits, fees and fines			188,103		
State Grant					
Other	<u> </u>	<u> </u>	<u>2,392</u>	<u> </u>	<u> </u>
Total revenues	<u>190,643</u>	<u> </u>	<u>190,495</u>	<u> </u>	<u> </u>
EXPENDITURES:					
Current:					
General government					
Public safety					
Highways and Streets		7			
Public transportation					
Economic & Physical development		37			
Capital outlay	148,445				
Debt service - interest			109,832		
Debt service - principal	<u> </u>	<u> </u>	<u>102,600</u>	<u> </u>	<u> </u>
Total expenditures	<u>148,445</u>	<u>44</u>	<u>212,432</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>42,198</u>	<u>(44)</u>	<u>(21,937)</u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)					
Proceed from the issuance of debt					
Operating transfers in		44			6,027
Operating transfers out	<u>(441,746)</u>	<u> </u>	<u>(13,482)</u>	<u> </u>	<u> </u>
Total other financing sources	<u>(441,746)</u>	<u>44</u>	<u>(13,482)</u>	<u> </u>	<u>6,027</u>
NET CHANGE IN FUND BALANCES	(399,548)		(35,419)		6,027
FUND BALANCE, BEGINNING OF YEAR	<u>757,439</u>	<u>(2,619)</u>	<u>174,754</u>	<u>(7,734)</u>	<u>(132,264)</u>
FUND BALANCE , END OF YEAR	<u>\$ 357,891</u>	<u>\$ (2,619)</u>	<u>\$ 139,335</u>	<u>\$ (7,734)</u>	<u>\$(126,237)</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
COMBINE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
Year Ended June 30, 2010

	CAPITAL PROJECT FUNDS			
	314	320/321	319	Total
	Capital Building Water tank	Transit Facility	HUD Assessment District	Capital Projects
REVENUES:				
Taxes	\$	\$	\$	\$ 190,643
Licenses, permits, fees and fines				188,103
State Grant		380,535		380,535
Other				<u>2,392</u>
Total revenues		<u>380,535</u>		<u>761,673</u>
EXPENDITURES:				
Current:				
General government				
Public safety				
Highways and Streets	15,003			15,010
Public transportation				
Economic & Physical development				37
Capital outlay		220,458		368,903
Debt service - interest				109,832
Debt service - principal				<u>102,600</u>
Total expenditures	<u>15,003</u>	<u>220,458</u>		<u>596,382</u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)	<u>(15,003)</u>	<u>160,077</u>		<u>165,291</u>
OTHER FINANCING SOURCES (USES)				
Proceed from the issuance of debt				
Operating transfers in	13,752			19,823
Operating transfers out		(179)		(455,407)
Total other financing sources	<u>13,752</u>	<u>(179)</u>		<u>(435,584)</u>
NET CHANGE IN FUND BALANCES	(1,251)	159,898		(270,293)
FUND BALANCE, BEGINNING OF YEAR	<u>1,340</u>	<u>(401,002)</u>		<u>389,914</u>
FUND BALANCE , END OF YEAR	\$ <u>89</u>	\$ <u>(241,104)</u>	\$ <u> </u>	\$ <u>119,621</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
 COMBINE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NON-MAJOR FUNDS
 Year Ended June 30, 2010**

	<u>DEBT SERVICE FUNDS</u>		
	405		
	<u>Ambulance Service</u>	<u>Total Debt Service</u>	<u>Total Non- major</u>
REVENUES:			
Taxes	\$	\$	\$ 626,739
Licenses, permits, fees and fines			208,587
State Grant			1,106,919
Other			<u>159,293</u>
Total revenues			<u>2,101,538</u>
EXPENDITURES:			
Current:			
General government			75,468
Public safety			71,210
Highways and Streets			169,437
Public transportation			194,809
Economic & Physical development			37
Capital outlay			728,364
Debt service - interest			109,832
Debt service - principal			<u>102,600</u>
Total expenditures			<u>1,451,757</u>
Excess (deficiency) of revenues over (under expenditures) before other financing sources (uses)			<u>649,781</u>
OTHER FINANCING SOURCES (USES)			
Proceed from the issuance of debt			67,965
Operating transfers in			173,921
Operating transfers out			<u>(1,642,039)</u>
Total other financing sources			<u>(1,400,153)</u>
NET CHANGE IN FUND BALANCES			(750,372)
FUND BALANCE, BEGINNING OF YEAR	<u>(17,728)</u>	<u>(17,728)</u>	<u>788,138</u>
FUND BALANCE , END OF YEAR	<u>\$ (17,728)</u>	<u>\$ (17,728)</u>	<u>\$ 37,766</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, 2010**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other	\$ _____	\$ _____	\$ 6,037	\$ 6,037
Total revenue	0	0	6,037	6,037
 EXPENDITURES				
Total expenditure	0	0	0	0
 OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			33,211	33,211
Operating transfers out			(6,783)	6,783
Total other financing sources	\$ 0	\$ 0	26,428	\$ 26,428
GAAP CHANGE IN FUND BALANCE			\$ 32,465	

**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, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Total expenditure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	<u> </u>	<u> </u>	<u>(61,893)</u>	<u>61,893</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(61,893)</u>	<u>\$ (61,893)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (61,893)</u>	

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, 2010

	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Grant	\$	\$	\$ 30,903	\$ 30,903
Other			663	663
Total revenue	<u>0</u>	<u>0</u>	<u>31,566</u>	<u>31,566</u>
EXPENDITURES				
Public safety	8,074	8,074	2,741	5,333
Highways and Streets	<u>4,500</u>		<u>1,781</u>	<u>(1,781)</u>
Total expenditure	<u>12,574</u>	<u>8,074</u>	<u>4,522</u>	<u>3,552</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out			<u>(26,381)</u>	<u>26,381</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(26,381)</u>	<u>\$ (26,381)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 663</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grant	\$ <u> </u>	\$ <u> </u>	\$ <u>272,569</u>	\$ <u>272,569</u>
Total revenue	<u> 0</u>	<u> 0</u>	<u>272,569</u>	<u>272,569</u>
EXPENDITURES				
General government	2,000		11,294	(11,294)
Public safety	89,374	89,374	48,356	41,018
Highways and Streets	<u>30,500</u>	<u> </u>	<u>19,328</u>	<u>(19,328)</u>
Total expenditure	<u>121,874</u>	<u>89,374</u>	<u>78,978</u>	<u>10,396</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers in	130,000	130,000		(130,000)
Operating transfers out	<u> </u>	<u> </u>	<u>(252,544)</u>	<u>252,544</u>
Total other financing sources	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>(252,544)</u>	<u>\$ (252,544)</u>
GAAP CHANGES IN FUND BALANCE			<u>\$ (58,953)</u>	

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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grant	\$ 21,800	\$ 21,800	\$ 21,960	\$ 160
Total revenue	<u>21,800</u>	<u>21,800</u>	<u>21,960</u>	<u>160</u>
EXPENDITURES				
Public safety	16,050	16,050	12,446	3,604
Highways and Streets	<u>5,750</u>	<u> </u>	<u>344</u>	<u>(344)</u>
Total expenditure	<u>21,800</u>	<u>16,050</u>	<u>12,790</u>	<u>3,260</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers out	<u> </u>	<u> </u>	<u>(10,835)</u>	<u>10,835</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(10,835)</u>	<u>\$ (10,835)</u>
GAAP CHANGES IN FUND BALANCE			<u>\$ (1,665)</u>	

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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 197,000	\$ 197,000	\$ 244,752	\$ 47,752
Other			<u>25,694</u>	<u>25,694</u>
Total revenue	<u>197,000</u>	<u>197,000</u>	<u>270,446</u>	<u>73,446</u>
EXPENDITURES				
General government			61,691	(61,691)
Highways and Streets	<u>197,000</u>	<u>197,000</u>	<u>53,498</u>	<u>143,502</u>
Total expenditure	<u>197,000</u>	<u>197,000</u>	<u>115,189</u>	<u>81,811</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers out			<u>(398,685)</u>	<u>398,685</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(398,685)</u>	<u>\$ (398,685)</u>
GAAP CHANGES IN FUND BALANCE			<u>\$ (243,428)</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Other	\$ _____	\$ _____	\$ _____ 161	\$ _____ 161
Total revenue	<u> 0</u>	<u> 0</u>	<u> 161</u>	<u> 161</u>
EXPENDITURES				
Highways and Streets	_____	_____	_____ 5,000	_____ (5,000)
Total expenditure	<u> 0</u>	<u> 0</u>	<u> 5,000</u>	<u> (5,000)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	_____ (52,453)	_____ 52,453
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u> (52,453)</u>	<u>\$ (52,453)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (57,292)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$	\$	\$ 1,019	\$ 1,019
Other			<u>124,346</u>	<u>124,346</u>
Total revenue	<u>0</u>	<u>0</u>	<u>125,365</u>	<u>125,365</u>
EXPENDITURES				
Capital outlay			<u>115,695</u>	<u>(115,695)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>115,695</u>	<u>(115,695)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out			<u>(46,453)</u>	<u>46,453</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(46,453)</u>	<u>\$ (46,453)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (36,783)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
General government	<u> </u>	<u> </u>	<u>2,483</u>	<u>(2,483)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>2,483</u>	<u>(2,483)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			2,483	2,483
Total other financing sources	\$ <u>0</u>	\$ <u>0</u>	<u>2,483</u>	\$ <u>2,483</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 0</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, Permits, fees & fines	\$ _____	\$ _____	\$ <u>20,352</u>	\$ <u>20,352</u>
Grant	_____	_____	<u>400,952</u>	<u>400,952</u>
Total revenue	<u>0</u>	<u>0</u>	<u>421,304</u>	<u>421,304</u>
EXPENDITURES				
Public Transportation			194,809	(194,809)
Capital outlay	_____	_____	<u>115,800</u>	<u>(115,800)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>310,609</u>	<u>(310,609)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	<u>(55,102)</u>	<u>55,102</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(55,102)</u>	<u>\$ (55,102)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 55,593</u>	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, Permits, fees & fines	\$ _____	\$ _____	\$ _____ 132	\$ _____ 132
Total revenue	<u> 0</u>	<u> 0</u>	<u> 132</u>	<u> 132</u>
EXPENDITURES				
Total expenditure	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	_____ (12,065)	_____ 12,065
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>_____ (12,065)</u>	<u>\$ (12,065)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (11,933)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Public safety			31,819	(31,819)
Highways and Streets			<u>4,926</u>	<u>(4,926)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>36,745</u>	<u>(36,745)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			28,675	28,675
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>28,675</u>	<u>\$ 28,675</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (8,070)</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ _____	\$ _____	\$ <u>190,325</u>	\$ <u>190,325</u>
Total revenue	<u>0</u>	<u>0</u>	<u>190,325</u>	<u>190,325</u>
EXPENDITURES				
Highways and Streets	_____	_____	<u>41,760</u>	<u>(41,760)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>41,760</u>	<u>(41,760)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	<u>(263,263)</u>	<u>263,263</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(263,263)</u>	<u>\$ (263,263)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (114,698)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Highways and Streets			27,790	(27,790)
Capital outlay			<u>69,765</u>	<u>(69,765)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>97,555</u>	<u>(97,555)</u>
OTHER FINANCING SOURCES/ (USES)				
Proceeds from issuance of debts	-	-	7,825	7,825
Operating transfers in	-	-	89,729	89,729
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>97,554</u>	<u>\$ 97,554</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (1)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Public safety			(24,152)	24,152
Capital outlay			<u>58,201</u>	<u>(58,201)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>34,049</u>	<u>(34,049)</u>
OTHER FINANCING SOURCES/ (USES)				
Proceeds from long-term debt, net			60,140	60,140
Operating transfers out			<u>(175)</u>	<u>175</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>59,965</u>	<u>\$ 60,315</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 25,916</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, Permits, fees & fines	\$	\$	\$ 188,103	\$ 188,103
Other			<u>2,392</u>	<u>2,392</u>
Total revenue		<u>0</u>	<u>190,495</u>	<u>190,495</u>
EXPENDITURES				
Interest			109,832	(109,832)
Debt service			<u>102,600</u>	<u>(102,600)</u>
Total expenditure		<u>0</u>	<u>212,432</u>	<u>(212,432)</u>
OTHER FINANCING SOURCES/ (USES)				
Total other financing sources	\$	<u>0</u>	<u>0</u>	\$ <u>(13,482)</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (35,419)</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, 2010**

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ _____	\$ _____	\$ <u>190,643</u>	\$ <u>190,643</u>
Total revenue	<u>0</u>	<u>0</u>	<u>190,643</u>	<u>190,643</u>
EXPENDITURES				
Capital outlay	_____	_____	<u>148,445</u>	<u>(148,445)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>148,445</u>	<u>(148,445)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	<u>(441,746)</u>	<u>441,746</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(441,746)</u>	<u>\$ 441,746</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (399,548)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
highways and Streets			7	(7)
Economic and Physical development			<u>37</u>	<u>(37)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>44</u>	<u>(44)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			44	44
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>44</u>	<u>\$ 44</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 0</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Total expenditure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			6,027	6,027
Operating transfers out				
Total other financing sources	\$ <u>0</u>	\$ <u>0</u>	<u>6,027</u>	\$ <u>6,027</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 6,027</u>	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Total revenue	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXPENDITURES				
Highways and Streets	<u> </u>	<u> </u>	<u>15,003</u>	<u>(15,003)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>15,003</u>	<u>(15,003)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers in			13,752	13,752
Total other financing sources	\$ <u>0</u>	\$ <u>0</u>	<u>13,752</u>	\$ <u>13,752</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ (1,251)</u>	

**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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grant	\$ _____	\$ _____	\$ <u>380,535</u>	\$ <u>380,535</u>
Total revenue	<u>0</u>	<u>0</u>	<u>380,535</u>	<u>380,535</u>
EXPENDITURES				
Capital outlay	_____	_____	<u>220,458</u>	<u>(220,458)</u>
Total expenditure	<u>0</u>	<u>0</u>	<u>220,458</u>	<u>(220,458)</u>
OTHER FINANCING SOURCES/ (USES)				
Operating transfers out	_____	_____	<u>(179)</u>	<u>179</u>
Total other financing sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>(179)</u>	<u>\$ 179</u>
GAAP CHANGE IN FUND BALANCE			<u>\$ 159,898</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ _____	\$ _____	\$ _____ 165	\$ _____ 165
Total revenues	<u>0</u>	<u>0</u>	<u>165</u>	<u>165</u>
CURRENT EXPENDITURES				
General government			181,962	(181,962)
Capital outlay			1,179,980	(1,179,980)
Interest			258,838	(258,838)
Debt service			<u>593,767</u>	<u>(593,767)</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>2,214,547</u>	<u>(2,214,547)</u>
OTHER FINANCING SOURCES:				
Debt Proceeds			2,544,291	2,544,291
Operating transfers in			969,644	969,644
Operating transfers out			<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total other financing sources			<u>2,513,935</u>	<u>2,513,935</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 299,553</u>	<u>\$ 299,553</u>

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales and services	\$	\$	\$ 447,608	\$ 447,608
Interest			<u>1,400</u>	<u>1,400</u>
Total revenue			<u>449,008</u>	<u>449,008</u>
EXPENDITURES				
Operating expenditures	313,894	313,894	313,060	834
Debt service- Interest			<u>253,840</u>	<u>(253,840)</u>
Total expenditure	<u>313,894</u>	<u>313,894</u>	<u>566,900</u>	<u>(253,006)</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers in			571,382	571,382
Operating transfers out			<u>(34,111)</u>	<u>34,111</u>
Total other financing sources	\$ <u>0</u>	\$ <u>0</u>	<u>537,271</u>	\$ <u>605,493</u>
NON-GAAP CHANGES IN FUND BALANCE			419,379	
CHANGE IN:				
Depreciation			<u>292,713</u>	
GAAP CHANGES IN FUND BALANCE			<u>\$ 126,666</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales and services	\$	\$	\$ 803,469	\$ 803,469
Interest			72	72
Taxes			<u>47,737</u>	<u>47,737</u>
Total revenue			<u>851,278</u>	<u>851,278</u>
EXPENDITURES				
Operating expenditures	575,159	575,159	577,116	(1,957)
Debt service- Interest			<u>78,673</u>	<u>(78,673)</u>
Total expenditure	<u>575,159</u>	<u>575,159</u>	<u>655,789</u>	<u>(80,630)</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers out			<u>(119,835)</u>	<u>119,835</u>
Total other financing sources	\$ <u>0</u>	\$ <u>0</u>	<u>(119,835)</u>	\$ <u>119,835</u>
NON-GAAP CHANGES IN FUND BALANCE			75,654	
CHANGE IN:				
Depreciation			<u>250,383</u>	
GAAP CHANGES IN FUND BALANCE			<u>\$ (174,729)</u>	

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Sales and services	\$ _____	\$ _____	\$ <u>1,112,349</u>	\$ <u>1,112,349</u>
Total revenue	<u> 0</u>	<u> 0</u>	<u>1,112,349</u>	<u>1,112,349</u>
EXPENDITURES				
Operating expenditures	<u> 810,087</u>	<u> 810,087</u>	<u> 832,458</u>	<u> (22,371)</u>
Total expenditure	<u> 810,087</u>	<u> 810,087</u>	<u> 832,458</u>	<u> (22,371)</u>
OTHER FINANCING SOURCES/(USES):				
Operating transfers in			1,000,000	1,000,000
Operating transfers out			<u>(315,694)</u>	<u> 315,694</u>
Total other financing sources	\$ <u> 0</u>	\$ <u> 0</u>	<u> 684,306</u>	\$ <u>1,315,694</u>
NON-GAAP CHANGES IN FUND BALANCE			964,197	
CHANGE IN:				
Depreciation			<u> 216,500</u>	
GAAP CHANGES IN FUND BALANCE			\$ <u> 747,697</u>	

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended June 30, 2010

	233	704	
	Motor Vehicle Fund	Municipal Court Bond Fund	Total
Assets, July 1, 2009	\$ 99,937	\$ 13,712	\$ 113,649
Increase	-	368	368
Decrease	<u>72,929</u>	-	<u>72,929</u>
Assets, June 30, 2010	<u>27,008</u>	<u>14,080</u>	<u>41,088</u>
Liabilities, July 1, 2009	\$ 99,937	\$ 13,712	\$ 113,649
Increase	-	368	368
Decrease	<u>72,929</u>	-	<u>72,929</u>
Liabilities, June 30, 2010	<u>\$ 27,008</u>	<u>\$ 14,080</u>	<u>\$ 41,088</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
Year Ended June 30, 2010

<u>Depository</u>	<u>Account Name</u>	<u>Type</u>	<u>Depository Balance</u>	<u>Reconciled Balance</u>
Deposit accounts:				
International Bank	Operating Account	Checking	\$ 176,142	\$ 153,920
International Bank	CDBG Cash Account	Checking	100	100
International Bank	Capital Projects Account	Checking	159,998	159,998
International Bank	State Fire Protection Fund	Checking	12,838	12,838
International Bank	LEPF Account	Checking	1,000	1,000
International Bank	Fire Station #2	Checking	6,410	6,410
International Bank	HWY 434 Infrastructure	Checking	9,429	9,429
International Bank	GRT Roads	Checking	4,640	4,640
International Bank	Sports and Recreation	Checking	44,055	44,055
International Bank	State EMS CPR Classes	Checking	663	663
International Bank	Back Basin Account	Checking	45	45
International Bank	Plaza Del Sol	Checking	39,306	39,305
International Bank	Ambulance Fund	Checking	340	340
First National Bank	Utility Account	Checking	<u>86,667</u>	<u>6,667</u>
Cash and cash equivalents			541,633	439,410
Petty cash	Petty cash	Cash	<u>-</u>	<u>400</u>
Total deposit accounts			<u>541,633</u>	<u>439,810</u>
Investment accounts:				
The Bank of New York Mellon	Cash NMFA-debt Service Res.	Investment	299,554	299,554
The Bank of New York Mellon	NMFA-Bond Series	Investment	41,810	41,810
The Bank of New York Mellon	NMFA-Bond Series	Investment	84,694	84,694
The Bank of New York Mellon	Cash NMFA Mini Pumper	Investment	59,704	59,704
Office of State Treasurer	LGIP Fund	U.S. Treas. Fund	<u>85,705</u>	<u>85,705</u>
Total investment accounts			<u>571,467</u>	<u>571,467</u>
TOTAL DEPOSIT AND INVESTMENT ACCOUNTS- NON-AGENCY			<u>1,113,100</u>	<u>1,011,277</u>
AGENCY FUNDS CASH ACCOUNTS				
International Bank	Municipal Court		14,079	14,079
International Bank	Motor Vehicle		4,628	4,628
International Bank	Public Safety Building		<u>16,595</u>	<u>16,595</u>
Cash and cash equivalents			35,302	35,302
Petty cash	MVD petty cash		<u>-</u>	<u>100</u>
TOTAL CASH-AGENCY FUNDS			<u>\$ 35,302</u>	<u>\$ 35,402</u>

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
Year Ended June 30, 2010

<u>Depository</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balance</u>
Deposit Accounts:			
International Bank	434 Infrastructure	Checking	\$ 9,429
International Bank	Back Basin	Checking	45
International Bank	Capital Project	Checking	159,998
International Bank	EMS CPR Classes	Checking	663
International Bank	GRT Roads	Checking	4,640
International Bank	LEPF	Checking	1,000
International Bank	Operating Account	Checking	176,142
International Bank	Plaza Del Sol	Checking	39,306
International Bank	Public Safety Building	Checking	16,595
International Bank	Sports and Recreation Facility Fees	Checking	44,055
International Bank	State Fire Protection Fund	Checking	12,838
International Bank	CDBG Cash	Checking	100
International Bank	Ambulance Fund	Checking	340
International Bank	Fire Station #2	Checking	6,410
International Bank	Municipal Court	Checking	6,123
International Bank	Municipal Court - Bond	Checking	7,956
International Bank	Motor Vehicle	Checking	<u>4,628</u>
Total deposits in International Bank			490,268
Less FDIC coverage			<u>(250,000)</u>
Total uninsured public funds			240,268
50% collateral requirement (Section 6-10017)			120,134
INVESTMENT ACCOUNTS			
First National Bank	Utility Account	CD	<u>86,667</u>
Total deposits in Bank of Albuquerque			86,667
Less FDIC coverage			<u>(86,667)</u>
Total uninsured public funds			-
50% collateral requirement (Section 6-10017)			<u>-</u>
Total pledged collateral required			<u>\$ 120,134</u>

<u>Name of Security</u>	<u>Cusip #</u>	<u>Maturity Date</u>	<u>Balances</u>
International Bank			
Village of Angel Fire	31339KF5T9	9/9/2011	420,960
First National Bank			
Village of Angel Fire	3133LXKB7	12/27/2018	<u>56,261</u>
Total collateral			<u>\$ 477,221</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, 2010**

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 Town of Red River Village of Questa	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 Taos Pueblo	Joint Responsibility	Procurement of commercial commuter airline services
Collaboration Forest Restoration Program	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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
Year Ended June 30, 2010**

Beginning and Ending Dates	Total estimated Project amount and Amount Applicable to Village	Amount Contributed by Village during fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
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, 2010

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>60,140</u>
Total Community Facilities Loans and Grants		60,140
Water and Waste Program		
Capital Projects	10.760	<u>130,015</u>
Total Water and Waste Program		<u>130,015</u>
Total for US Department of Agriculture		<u>190,155</u>
US HOUSING AND URBAN DEVELOPMENT DEPT.		
Economic Development Initiative Special		
B-06-SP-NM-0677	14.unknown	<u>119,402</u>
Total US Housing and Urban Development Dept.		<u>119,402</u>
TOTAL FEDERAL EXPENDITURES		\$ <u><u>309,557</u></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 general purpose financial statements.

NON-CASH ASSISTANCE

The Village did not receive any federal non-cash assistance during the year ended June 30, 2010.

**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***

Ms. Barbara Cottam, 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, 2010, and have issued our report thereon dated May 31, 2012. 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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 07-2, 09-6, 09-8, to be material weaknesses.

A *significant deficiency* is deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 03-4, 03-9, 03-14, 05-2, 07-2, 07-3, 07-4, 09-6, 09-7, and 09-8 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and are described in the accompanying schedule of findings and responses as items 03-6, 05-3, 05-4, 08-2, and 09-1

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 and 04-3.

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

This report is intended solely for the information and use of management, Village Councilors, 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.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
June 01, 2012

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

B - FINDINGS - FINANCIAL STATEMENT AUDIT

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

Condition: The June 30, 2010 audit report was not filed timely as required by State Auditor Rule NMAC 2.2.2.9.A.

Criteria: Per State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements of local governmental entities are due by December 1 following the fiscal year-end, thus requiring the June 30, 2010 report to be filed by December, 2010.

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, 2010. 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.

Management's Response:

The Village is diligently working on filing and completing our audits in a timely manner. When the fiscal year 2009-10 is submitted to the State Auditor's for their review, our auditors will start on the audit for Fiscal Year 2010-2011. Once the Fiscal Year 2010-2011 audit is complete, the Village will be in compliance with their annual audit.

The Village plans to do a Request for Proposal for Fiscal Years 2011-2012 and 2012-2013. Once a contract is for awarded audit services, the audit company selected will be able to start by September 2012 for Fiscal Year ending 2011-2012.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

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 unrestricted 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, establishing the employees access rights to the accounting system and payroll system, including adding or deleting employee's from the system, without any oversight from the Village's management.

Criteria: Segregation of duties is a necessary attribute to safeguard an entity's assets.

Cause: The Village has limited financial resources 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:

For Fiscal Year 2011-2012, the Village has hired a Finance Director who has implemented a procedure to ensure a definite segregation of duties. The procedure which has been implemented is as follows:

The Accounts Payable clerk, will prepare the checks and post them. The checks require two signature, one signature needs to be either the Mayor or one of the council members and the other will be either the Village Clerk or Village Administrator.

The Finance Director is responsible for the reconciling of all bank accounts.

The Finance Director is responsible at this time for making adjusting journal entries. The adjusting journal entries are first created with the required documentation in hard copy format, and then the adjusting journal entry is posted in the accounting system, which generates a journal entry number associated with the entry. After the adjusting entries for that particular packet are entered into the system, the system will create a report, which is verified to the hard copy, approved and posted. After the adjusting journal entries have been posted in the system, they are given to the Village Administrator for his/her final approval. Hard copies of all adjusting journal entries are kept by month in a binder.

The IT Tech responsible for setting up the employees on the network, with the approval of the Village Administrator.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

03-6 BUDGET OVERAGES (Non-compliance)

Condition: During our analysis of budget to actual reports for the year ended June 30, 2010, we noted the expenditures in the following funds exceeded the budgeted amounts:

General	\$ (374,241)
Waste Water	\$ (253,006)
Water	\$ (22,371)
Solid Waste	\$ (80,630)

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: The Village did not have proper budgetary controls, including budget to actual analysis.

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:

For Fiscal Year 2011-2012, the Village Finance Department has implemented controls to avoid budget overages.

When a department submits a Purchase Requisition, the Finance Director is responsible for verifying the correct line item and there is sufficient budget for the procurement of the requested purchase.

Each departments given copies of their financial statements on a monthly basis. On a quarterly basis, departments are responsible for doing budget adjustments within their budget without increasing their total approved budget.

For this Fiscal Year 2011-2012, this procedure keeps the budgets in line with actual expenditures.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

03-9 - UTILITY ACCOUNTS RECEIVABLE (Significant Deficiency)

Condition: 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: 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.

Management's Response:

The Village did discover, before we can proceed with any adjustments to accounts receivable, we have to run large scale reports to assess the scope of unapplied credits. We are developing criteria for categorizing and resolving each credit based on age and dollar values.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

03-14 ACCOUNTING FOR PERMIT DEPOSITS (Significant Deficiency)

Condition: The Village is not keeping aged details of building permit deposits. 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 record keeping 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 deposits by the means of an aged detail. We also suggest the Village properly trains its accounting staff on identifying accounting issues.

Management's Response:

The Village's Management & Finance Department is working with the planning Department to develop a procedure to correctly record building permit deposits. The Village will review and update the resolution for time limits regarding permit deposits.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

04-3 TRAVEL AND PER DIEM DISBURSEMENTS (Control Deficiency)

Condition: During testwork over per diem disbursements, we noted that 4 out of 20 disbursements did not include receipts when the employees were reimbursed for expenses. The amount of disbursements was \$1,345

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.

Cause: The Village lacked controls surrounding the proper review process over per diem disbursements.

Effect: The Village was not in 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.

Management's Response:

The Village has developed a Travel and Per Diem procedure. As it stands now, when our employees do any travelling for the village, they are usually paid 80% of their expenses when they travel and when they return, they are paid 20% of their expenses.

It is very rare any of our employees or governing body is reimbursed for actual expenses. There is a procedure in place to assure that proper documentation of receipts or a sworn statement is obtained for Per Diem reimbursed for actual expenses.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

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: The Village lacked procedures and controls in place to ensure that reconciliation's 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 is working on identifying the deposits which are being held by the village. The Village will also need to account for the water deposits as a liability and not revenue. The deposits will be recognized as revenue, should there be a balance due to the Village after, the customer has closed its account. The Village will identify where the deposits will be accounted for, how they will be released or refunded to the customer.

The Village is reconciling individual customer accounts, in the accounting systems and then procedure will be developed to detail the process of the Utility Deposits.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

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: The Village lacked 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 has tasked the Accounts Receivable Clerk with the additional duty of being the Asset Inventory clerk, this was done during the reorganization of personnel throughout the Village during the Fiscal Year 2011-2012.

The Asset Inventory Clerk is working on developing a procedure regarding the annual physical inventory of capital assets.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

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.

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: The Village lacked awareness or familiarity with the GAAP requirements.

Effect: The Village's lack of 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 will develop a procedure to account for unbilled water receivable, which will be done at the end of each fiscal year. This will allow the Village to recognize the earned revenue, when it is actually earned and not when it is billed.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

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 out testwork over payroll, 1 out of 10 transactions tested was not supported by a timesheet or request for leave.
- The Village was not able to provide all six 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.

Cause: The Village lacked internal controls over record keeping as prescribed by the Accounting Manual.

Effect: The Village's 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:

For Fiscal Year 2011-2012, the Finance Department has established methods to track and file the documents in this department. A filing system has been established which provides internal controls over the records, maintained by the Finance Department.

Once these controls are established, procedures and policies will be written to be included in the Finance Department Policy and Procedures manual.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

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 bank statement reconciliation process, with no approval by anybody other than the 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 prepare and accounting records should be maintained for independent verification, if needed.

Cause: The Village lacked controls over the journal entry review and approval process.

Effect: With no review and approval process for the journal entries, and no 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, with supporting documentation generated in the process, and properly kept for independent reviews.

Management's Response:

For Fiscal Year 2011-2012, the Village Finance Department has implemented the following procedure regarding the Journal Entry Process.

The Administrator will develop a policy which will incorporate this procedure in the Accounting Department Policies and Procedures Manual.

The Finance Director is responsible at this time for making adjusting journal entries and Management will review journal entries on a monthly basis.

The adjusting journal entries are first created with the required documentation in hard copy format; the adjusting journal entry is posted in the accounting system, which generates a journal entry number associated with the entry. After the adjusting entries for that particular packet are entered into the system, the system will create a report, which is verified to the hard copy, approved and posted. After the adjusting journal entries have been posted in the system, they are given to the Village Administrator for his/her final approval. Hard copies of all adjusting journal entries are kept by month in a binder.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

07-4 INADEQUATE ACCOUNTING RECORDS (Significant Deficiency)

Condition: During our testwork over credit card transactions, we noted that 50 out of 65 disbursements tested did not indicate that the invoice was paid. 29 out of 65 disbursements tested had no identifications of a review or approval prior to disbursement. 4 out of 65 disbursements tested did not have adequate supporting documents.

Criteria: The 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: The Village lacked 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:

For Fiscal Year 2012-2013, all credit card transactions are reviewed, charged to the correct fund and line item.

For Fiscal Year 2012-2013, all disbursements are reviewed for supporting documentation and approved for payment either by the Department Director or by the Finance Director.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

08-2 TIMELINESS OF DUE TO/DUE FROM REVERSALS (Non-compliance)

Condition: Some interfund transfers on the Village remained unchanged from FY 2009 to FY 2010.

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: The Village lacked management oversight and there is a 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.

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

Management's Response:

The Village has hired a full time Finance Director, who has identified the issue of Due to and Due from, and the fact they need to be reconciled and balanced on a timely manner.

This is one of the procedures to be addressed during the process of updating the Finance Department's Policies and Procedures.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

09-1 - UNBUDGETED ACTIVITY (Non-compliance)

Condition: The Village did not budget for the following funds that had activity in FY 2010:

Community Center	Back Basin Road
Corrections	Fire Protection Facility
USDA Air Burner	Public Safety Building
Public Works	Forest Thinning
Recreation	HWY 434 Assessment
Teen Court	Lagoon Cleanup
Transportation	Water tank
Welfare to Work	Transit Facility
Fire Donations	Revenue Bonds
Street Project	

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

Cause: The Village lacked 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:

For Fiscal Year 2011-2012, the Village has made every effort to budget for all the activities. All funds which have activity have a budget associated with it and included in the annual operating budget.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

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 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. Several findings have been repeated for over five fiscal periods.
- The Village does not have an adequate review process in place for accounting transactions.

Criteria: Per SAO Rule 2.2.2.8J(2), the agency shall maintain adequate accounting records. This includes performing reconciliation's 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: The Village lacked adequate staffing in the accounting and finance departments.

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

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

Management's Response:

The Village's Finance Director identified the issue of inadequate oversight regarding the reconciliation of accounts to the general ledger. The Village is still not current on our audits and the new staff is working to correct this issue, considering they do not have the historical financial history to work from. The contractor, the village has hired to work on getting the information to the auditors will work on balancing our general ledger, which should make it easier to balance our accounts to the general ledger on a regular basis.

The Village has currently prepared a draft Comprehensive Financial Internal Controls checklist to yearly identify and remedy audit findings

The Village has drafted a yearly review process to review yearly its Internal Controls for accounting transactions.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

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.
- 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: The Village lacked controls surrounding accounting for grants and lacked recourse to properly monitor grants and grant requirements.

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

Recommendation: We recommend the Village's management familiarize themselves with grant requirements upon receipt of the award and implement controls over the accounting and grant reconciliation process.

Management's Response:

For Fiscal Year 2011-2012, the Village has made some personnel changes. This would include having a Grant Administrator who would maintain oversight on the grants awarded to the Village.

The Grant Administrator will be tasked with compliance, reconciliation and reimbursement of all the grants.

The Village has drafted a Comprehensive Financial Internal Controls checklist which includes Contracts and grants.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010

09-8 - SAS-115 — INEFFECTIVE OVERSIGHT OF THE FINANCIAL REPORTING AND INTERNAL CONTROLS (Material Weakness)

Condition: While conducting our audit for fiscal year 2010, 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 the 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: Per SAS 115, Communicating Internal Control Related Matters Identified in an Audit, the auditor must determine whether the client has sufficient accounting competence and knowledge to detect or prevent a misstatement or error in the financial reporting. 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 financials 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 footnote disclosures. The Village lacks the adequate number of qualified accounting personnel and experience to provide accurate and reliable financial information for the FY 2010 audit. Additionally, the Village relies extensively on an external contractor to perform the required and necessary day-to-day financial and accounting services.

Effect: The Village's 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 the 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 hired a full -time Finance Director as of May 2011. The Finance Director with the cooperation of the Finance Department Staff has made great improvements, so the Village can be in compliance with GAAP and GASB requirements.

The Village's accounting software and system are updated to the manner in which, financials statements can be generated which reflect the financial situation of each of the Department and funds of the Village.

The Village Administrator has drafted a Comprehensive Financial Internal Control checklist to review internal controls on a yearly basis to establish a control environment, establish policies and procedures for Budgeting, Accounting, Financial Reporting, Collection, Deposits, Cash Funds, Assets Management, Payroll, Human Resource Management, Purchasing, Disbursements, Contracts, Grants and IT.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2010

- 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) — Resolved
- 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
- 08-2 Timeliness of Due to/Due from Reversals - Repeated
- 09-1 Unbudgeted Activity (Non-compliance) - Repeated
- 09-2 Untimely Deposits (Non-compliance) - Resolved
- 09-3 Liability Accrual (Significant Deficiency) - Resolved
- 09-4 Capital Assets Overstatement (Significant Deficiency) - Resolved
- 09-5 Compensated Absences Calculation (Control Deficiency) - Resolved
- 09-6 Control Environment (Material Weakness) - Repeated
- 09-7 Accounting for State Grants (Significant Deficiency) - Repeated
- 09-8 Ineffective Oversight of the Financial Reporting and Internal Controls (Material Weakness) - Repeated and Modified
- 09-9 Debt Service Activity - Resolved
- 09-10 Construction in Process Review and Reconciliation (Material Weakness) - Resolved
- 09-11 Schedule of Federal Revenues and Expenditures (Material Weakness) - Resolved
- 09-12 Reporting and Supporting Documentation (Material Weakness)
CFDA # 10.760 Water and Waste Program - Resolved
- 09-13 Reporting and Supporting Documentation (Material Weakness)
CFDA # 10.766 Community Facilities Loans and Grants - Resolved

VILLAGE OF ANGEL FIRE, NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2010

An exit conference was held with the Village on June 05, 2012. The conference was held over phone. In attendance were:

VILLAGE OF ANGEL FIRE, NEW MEXICO

Barbara Cottam, Mayor
Chuck Howe, Mayor Pro-Tem
Don Walker, Councilor
Tomas Benavidez, Village Manager
Lupita De Herrera, Finance Director
Terry Cordova, Administrator

HARSHWAL & COMPANY LLP

Deepa Adhikari, Senior Auditor

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 Auditor's Report.