

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE

Financial Statements

June 30, 2012



VILLAGE OF ANGEL FIRE, NEW MEXICO

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VILLAGE OF ANGEL FIRE, NEW MEXICO

OFFICIAL ROSTER

Year Ended June 30, 2012

Village Council

Barbara Cottom	Mayor (Current)
Chuck Howe	Mayor Pro-Tem
Don Welker	Councilor
Christy Germscheid	Councilor
Brinn Colenda	Councilor

Village Officials

M. Jay Mitchell	Village Manager (Current)
Terry Cordova	Village Clerk
Lupita DeHerrera	Finance Director

INDEPENDENT AUDITOR'S REPORT

To Hector H. Balderas
New Mexico State Auditor and
Village of Angel Fire Council
Village of Angel Fire
Angel Fire, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village's Nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

We were not able to verify revenues expenses and expenditure balances for the year ended June 30, 2012. We were unable to determine the accounts balances through the use of alternative procedures. The effect on revenues and expenses of the governmental and business type activities and the revenues and expenditures of the governmental funds are not readily determinable.

As discussed in finding 2008-002, the Village's due to and due from accounts at the individual fund level were not reconciled to determine the validity of these balances. As a result, there was no effective way to determine whether the interfund receivable and payables at the fund level were materially correct. The amount by which allocation would affect the assets and liabilities of the funds is not reasonably determinable.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount of the due to and due froms along with the revenues, expenses and expenditures as described in the preceding paragraphs, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principals generally accepted in the United States of America. In addition, in our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount the due to and due froms along with the revenues, expenses and expenditures as described in the preceding paragraphs, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental funds of the Village as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 06, 2014 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 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 opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules listed as other supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 basic financial statements taken as a whole.



Albuquerque, New Mexico
October 06, 2014

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF NET POSITION
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 900,087	\$ 322,121	\$ 1,222,208
Receivables:			
Taxes	534,955	5,914	540,869
Special assessment districts	13,451	-	13,451
Receivables from external parties	130,994	-	130,994
Accounts receivable, net of allowance	-	748,589	748,589
Inventories	43,765	55,473	99,238
Internal balances	(776,042)	781,033	4,991
Capital assets, net of accumulated depreciation	13,579,076	11,170,027	24,749,103
<i>Total assets</i>	<u>14,426,286</u>	<u>13,083,157</u>	<u>27,509,443</u>
LIABILITIES			
Accounts payable	736,067	197,637	933,704
Accrued payroll liabilities	105,007	15,249	120,256
Due to other external parties	2,318	2,180	4,498
Interest payable	132,422	107,883	240,305
Deposits payable	165	46,682	46,847
Current portion of compensated absences	77,368	35,801	113,169
Current portion of long-term debt	709,764	346,422	1,056,186
Noncurrent portion of long-term debt	9,818,033	5,994,809	15,812,842
<i>Total liabilities</i>	<u>11,581,144</u>	<u>6,746,663</u>	<u>18,327,807</u>
NET POSITION			
Nonspendable-inventory	43,765	55,473	99,238
Net investment in capital assets	6,983,533	11,170,027	18,153,560
Restricted for:			
Special revenues	1,225,206	-	1,225,206
Capital projects	1,741,075	-	1,741,075
Debt service	-	-	-
Grant expenditures	-	-	-
Unrestricted	(7,148,437)	(4,889,006)	(12,037,443)
<i>Total net position</i>	<u>\$ 2,845,142</u>	<u>\$ 6,336,494</u>	<u>\$ 9,181,636</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 1,309,939	\$ 407,079	\$ 257,301	\$ (645,559)	\$ -	\$ (645,559)
Public safety	1,731,205	254,375	395,775	(1,081,055)	-	(1,081,055)
Highways and streets	392,059	-	-	(392,059)	-	(392,059)
Culture and recreation	1,394,160	134,679	186,224	(1,073,257)	-	(1,073,257)
Public transportation	240,855	-	-	(240,855)	-	(240,855)
Economic and development	266,644	-	-	(266,644)	-	(266,644)
Interest relating to LTdebt	573,486	-	-	(573,486)	-	(573,486)
Total governmental activities	5,908,348	796,133	839,300	(4,272,915)	-	(4,272,915)
Business-type activities:						
Waste Water	862,925	400,410	-	-	(462,515)	(462,515)
Solid Waste	822,009	908,220	-	-	86,211	86,211
Water	1,001,206	1,056,743	-	-	55,537	55,537
Total business-type activities	\$ 2,686,140	\$ 2,365,373	\$ -	-	(320,767)	(4,217,378)
General Revenues:						
Taxes:						
Franchise				137,226	-	137,226
Gasoline				21,174	-	21,174
Gross receipts				2,476,015	-	2,476,015
Property				1,434,204	-	1,434,204
Lodgers				248,784	-	248,784
Cigarette				1	-	1
Special Assessments				168,216	-	-
Miscellaneous				171,938	-	-
Interest				2,387	-	2,387
Total general revenues				4,659,945	-	4,659,945
Transfers				28,448	(28,448)	-
Change in net position				415,478	(349,215)	66,263
Beginning net position				6,128,943	6,672,137	12,801,080
Restatement prior period				(3,699,279)	13,572	(3,685,707)
Beginning net position , restated				2,429,664	6,685,709	9,115,373
Ending net position				\$ 2,845,142	\$ 6,336,494	\$ 9,181,636

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B-1

	General Fund 101	Debt Service 402	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 232,566	\$ 506,640	\$ 160,881	\$ 900,087
Receivables:				
Taxes	328,339	910	68,118	397,367
Special Assessment Districts	-	-	13,451	13,451
Receivables from external parties	66,910	-	64,084	130,994
Inventories	43,765	-	-	43,765
Due from other funds	1,599,120	21,419	3,382,884	5,003,423
<i>Total assets</i>	<u>\$ 2,270,700</u>	<u>\$ 528,969</u>	<u>\$ 3,689,418</u>	<u>\$ 6,489,087</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	675,128	-	60,939	736,067
Accrued payroll liabilities	100,269	-	4,738	105,007
Deposits payable	165	-	-	165
Due to other external parties	2,318	-	-	2,318
Due to other funds	1,796,732	2,151,963	1,830,770	5,779,465
<i>Total liabilities</i>	<u>2,574,612</u>	<u>2,151,963</u>	<u>1,896,447</u>	<u>6,623,022</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	43,765	-	-	43,765
Restricted for:				
Special revenue funds	-	-	1,225,206	1,225,206
Capital projects funds	-	-	1,741,075	1,741,075
Debt service	-	-	-	-
Unassigned for:				
General fund	(347,677)	-	-	(347,677)
Special revenue funds	-	-	(746,779)	(746,779)
Capital projects funds	-	-	(408,803)	(408,803)
Debt service	-	(1,622,994)	(17,728)	(1,640,722)
<i>Total fund balance (deficit)</i>	<u>(303,912)</u>	<u>(1,622,994)</u>	<u>1,792,971</u>	<u>(133,935)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 2,270,700</u>	<u>\$ 528,969</u>	<u>\$ 3,689,418</u>	<u>\$ 6,489,087</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2012

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

Fund balances - total governmental funds	\$ (133,935)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,579,076
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	137,588
Accrued interest expense	(132,422)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(10,527,797)
Compensated absences	<u>(77,368)</u>
Total net position	<u>\$ 2,845,142</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund 101	Debt Service 402	Nonmajor Governmental Funds	Total Governmental Funds
<i>Revenues:</i>				
Taxes	\$ 3,624,938	\$ 52,532	\$ 502,346	\$ 4,179,816
Licenses, permits, fees and fines	287,665	-	3,952	291,617
Charges for services	115,462	-	389,054	504,516
Intergovernmental - state sources	35,000	-	376,426	411,426
Intergovernmental - federal sources	-	-	376,209	376,209
Special assessments	-	-	168,216	168,216
Contributions and donations	41,501	-	10,164	51,665
Investment earnings	403	1,931	53	2,387
Other	133,703	2,255	6,480	142,438
<i>Total revenues</i>	<u>4,238,672</u>	<u>56,718</u>	<u>1,832,900</u>	<u>6,128,290</u>
<i>Expenditures:</i>				
Current				
General government	832,032	-	-	832,032
Public safety	1,062,076	-	417,355	1,479,431
Economic and physical development	272,077	-	117,693	389,770
Highways and streets	761,926	-	61,005	822,931
Health	-	-	240,855	240,855
Culture and recreation	145,955	-	120,481	266,436
Planning	232,658	-	-	232,658
Capital outlay	140,325	-	148,728	289,053
Debt service				
Principal	-	486,121	-	486,121
Interest and administrative fees	-	441,064	-	441,064
<i>Total expenditures</i>	<u>3,447,049</u>	<u>927,185</u>	<u>1,106,117</u>	<u>5,480,351</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>791,623</u>	<u>(870,467)</u>	<u>726,783</u>	<u>647,939</u>
<i>Other financing sources (uses):</i>				
Transfers in	-	949,240	-	949,240
Transfers out	(551,844)	-	(368,948)	(920,792)
Proceeds from sale of assets	49,500	-	-	49,500
<i>Total other financing sources (uses)</i>	<u>(502,344)</u>	<u>949,240</u>	<u>(368,948)</u>	<u>77,948</u>
<i>Net change in fund balances</i>	<u>289,279</u>	<u>78,773</u>	<u>357,835</u>	<u>725,887</u>
<i>Fund balances (deficits) - beginning of year</i>	(496,610)	(1,701,767)	1,343,791	(854,586)
<i>Restatement prior period</i>	<u>(96,581)</u>	-	91,345	<u>(5,236)</u>
<i>Fund balances (deficits) - beginning of year restated</i>	<u>(593,191)</u>	<u>(1,701,767)</u>	<u>1,435,136</u>	<u>(859,822)</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ (303,912)</u>	<u>\$ (1,622,994)</u>	<u>\$ 1,792,971</u>	<u>\$ (133,935)</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net change in fund balances - total governmental funds	\$ 725,887
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Governmental fund report capital outlays 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:

Capital expenditures	29,700
Depreciation expense	(1,068,783)
Water Rights depreciation adjustment	25,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Change in property taxes receivable	137,589
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in accrued interest payable	(132,422)
Increase in accrued compensated absences	(15,371)
Note Proceeds	-
Principal payments on notes	733,878
Loan proceeds	(20,000)
Loss on the disposition of fixed assets	
Change in net position	<u>\$ 415,478</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 3,347,570	\$ 3,590,371	\$ 3,561,435	\$ (28,936)
Licenses, permits, fees & fines	177,400	125,428	287,665	162,237
Charges for services	-	82,639	115,462	32,823
Intergovernmental - state sources	35,000	35,000	35,000	-
Contributions and donations	-	-	41,501	41,501
Investment earnings	-	-	403	403
Other	224,314	6,077	133,703	127,626
<i>Total revenues</i>	<u>3,784,284</u>	<u>3,839,515</u>	<u>4,175,169</u>	<u>335,654</u>
<i>Expenditures:</i>				
General government	932,063	947,063	1,029,151	(82,088)
Public safety	1,007,368	1,007,368	1,062,076	(54,708)
Economic and physical development	307,962	307,962	272,077	35,885
Highways and streets	844,617	844,617	761,926	82,691
Culture and recreation	160,359	160,359	145,955	14,404
Planning	238,816	238,816	232,658	6,158
Capital outlay	-	-	140,325	(140,325)
<i>Total expenditures</i>	<u>3,491,185</u>	<u>3,506,185</u>	<u>3,644,168</u>	<u>(137,983)</u>
<i>Other financing sources (uses):</i>				
Proceeds from sale of assets	-	-	49,500	49,500
Transfers out	(129,135)	(163,626)	(551,844)	(388,218)
<i>Total other financing sources (uses)</i>	<u>(129,135)</u>	<u>(163,626)</u>	<u>(502,344)</u>	<u>(338,718)</u>
<i>Net change in fund balances</i>	<u>\$ 163,964</u>	<u>\$ 169,704</u>	<u>28,657</u>	<u>\$ 134,919</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			197,119	
Changes in deferrals			63,503	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 289,279</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF NET ASSETS-PROPRIETARY FUNDS
JUNE 30, 2012

Exhibit A-1

	Major Proprietary Funds			Total
	Waste Water 503	Solid Waste 504	Water 505	
ASSETS				
<i>Current assets:</i>				
Cash and investments	\$ 42,240	\$ 55,862	\$ 224,019	\$ 322,121
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts receivable, net of allowance	124,042	73,653	550,894	748,589
Taxes	-	5,914	-	5,914
Inventory	41,966	-	13,507	55,473
Due from other funds	-	172,284	1,452,916	1,625,200
Total current assets	208,248	307,713	2,241,336	2,757,297
<i>Capital assets:</i>				
Land and water rights	376,475	49,856	4,684,000	5,110,331
Buildings	7,227,987	1,397,595	7,246,400	15,871,982
Machinery and equipment	5,593	1,031,752	59,328	1,096,673
Less accumulated depreciation	(3,625,242)	(1,148,124)	(6,377,177)	(11,150,543)
Construction in progress	-	-	241,584	241,584
Total capital assets, net of accumulated depreciation	3,984,813	1,331,079	5,854,135	11,170,027
Total assets	\$ 4,193,061	\$ 1,638,792	\$ 8,095,471	\$ 13,927,324
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	46,895	49,626	101,116	197,637
Accrued expenses	2,700	4,958	7,591	15,249
Due to other governments	3,083	(1,784)	881	2,180
Interest payable	101,478	6,405	-	107,883
Deposits payable	-	(315)	46,997	46,682
Due to other funds	560,213	25,657	258,297	844,167
Compensated absences current	7,473	10,430	17,898	35,801
Capital leases payable-current	-	77,139	-	77,139
Bonds payable-current	96,000	-	1,669	97,669
Loans payable-current	171,614	-	-	171,614
Total current liabilities	989,456	172,116	434,449	1,596,021
<i>Noncurrent liabilities</i>				
Compensated absences	-	-	-	-
Capital leases payable	-	25,663	-	25,663
Loans payable	2,368,386	1,004,681	-	3,373,067
Bonds payable	2,444,000	-	152,079	2,596,079
Total noncurrent liabilities	4,812,386	1,030,344	152,079	5,994,809
Total Liabilities	5,801,842	1,202,460	586,528	7,590,830
NET ASSETS				
Nonspendable-inventory	41,966	-	13,507	55,473
Net investment in capital assets	3,984,813	1,331,079	5,854,135	11,170,027
Restricted for:				
Grant expenditures	-	-	-	-
Unrestricted	(5,635,560)	(894,747)	1,641,301	(4,889,006)
Total net assets	(1,608,781)	436,332	7,508,943	6,336,494
TOTAL LIABILITIES AND NET ASSETS	\$ 4,193,061	\$ 1,638,792	\$ 8,095,471	\$ 13,927,324

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Major Proprietary Funds			Total
	Waste Water 503	Solid Waste 504	Water 505	
<i>Operating Revenues:</i>				
Sales and Services	\$ 400,411	\$ 861,375	\$ 1,053,493	\$ 2,315,279
<i>Operating Expenses:</i>				
Operating expenses	323,136	549,453	851,529	1,724,118
Depreciation	289,326	229,532	149,636	668,494
<i>Total operating expenses</i>	<u>612,462</u>	<u>778,985</u>	<u>1,001,165</u>	<u>2,392,612</u>
<i>Operating (loss) income</i>	<u>(212,051)</u>	<u>82,390</u>	<u>52,328</u>	<u>(77,333)</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax	-	46,218	-	46,218
Earnings on investments	-	627	23	650
Miscellaneous revenues	-	-	3,227	3,227
Transfers in/(out)	(1,875)	30,824	(57,397)	(28,448)
Interest expense	(250,463)	(43,024)	(41)	(293,528)
<i>Total non-operating revenues (expenses)</i>	<u>(252,338)</u>	<u>34,645</u>	<u>(54,188)</u>	<u>(271,881)</u>
<i>Net income</i>	<u>(464,389)</u>	<u>117,035</u>	<u>(1,860)</u>	<u>(349,214)</u>
<i>Net assets, beginning of year</i>	(1,120,885)	212,077	7,580,944	6,672,136
<i>Prior period adjustments</i>	<u>(23,507)</u>	<u>107,220</u>	<u>(70,141)</u>	<u>13,572</u>
<i>Net assets, beginning of year as restated</i>	<u>(1,144,392)</u>	<u>319,297</u>	<u>7,510,803</u>	<u>6,685,708</u>
<i>Net assets, end of year</i>	<u>\$ (1,608,781)</u>	<u>\$ 436,332</u>	<u>\$ 7,508,943</u>	<u>\$ 6,336,494</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	Waste Water Fund	Solid Waste Fund	Water Fund	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 522,329	\$ 902,877	\$ 706,587	\$ 2,131,793
Cash payments to vendors and employees	<u>(379,891)</u>	<u>(802,602)</u>	<u>(725,070)</u>	<u>(1,907,563)</u>
Net cash provided by operating activities	<u>142,438</u>	<u>100,275</u>	<u>(18,483)</u>	<u>224,230</u>
Cash Flows From Non-Capital Financing				
Gross receipts tax revenue	-	46,218	-	46,218
Miscellaneous revenues	-	-	3,227	3,227
Transfers out	(1,875)	30,824	(57,397)	-
Interest earnings	<u>-</u>	<u>627</u>	<u>23</u>	<u>-</u>
Net cash used by non-capital financing activities	<u>(1,875)</u>	<u>77,669</u>	<u>(54,147)</u>	<u>21,647</u>
Cash Flows From Capital and Related				
Purchase of capital assets	-	-	-	-
Disposition and adjustment of capital asset	112,843	(111,857)	287,731	288,717
Principal payment on bonds	(92,000)	-	(7,364)	(271,223)
Principal payment on loans	-	(171,859)	-	(106,054)
Principal payment on capital leases	-	(106,054)	-	(106,054)
Interest payment on bonds, loans, and leases	<u>(245,670)</u>	<u>(43,315)</u>	<u>(46,876)</u>	<u>(335,861)</u>
Net cash used by capital and related financing activities	<u>(224,827)</u>	<u>(433,085)</u>	<u>233,491</u>	<u>(424,421)</u>
Net (decrease) increase in cash and cash equivalents	(84,264)	(255,141)	160,861	(178,544)
Cash and restricted cash and cash equivalents, beginning of year	<u>126,504</u>	<u>311,003</u>	<u>63,158</u>	<u>500,665</u>
Cash and restricted cash and cash equivalents, end of year	<u>\$ 42,240</u>	<u>\$ 55,862</u>	<u>\$ 224,019</u>	<u>\$ 322,121</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (212,051)	\$ 82,390	\$ 52,328	\$ (77,333)
Noncash items				
Depreciation expense	289,326	229,532	149,636	668,494
Restatement - prior period	(23,507)	107,220	(70,141)	13,572
Adjustments to operating income				
Accounts receivable	(51,924)	106,566	(259,034)	(204,392)
Inventory	(41,966)	-	(13,507)	(55,473)
Due from other funds	197,349	(172,284)	(17,731)	7,334
Accounts payable	32,507	32,216	(45,620)	19,103
Meter deposit	-	(315)	2,110	1,795
Accrued liabilities	(5,349)	(15,367)	(13,573)	(34,289)
Due to other governments	-	(1,784)	881	(903)
Due to other funds	(35,328)	(271,256)	181,872	(124,712)
Compensated absences	<u>(6,619)</u>	<u>3,357</u>	<u>14,296</u>	<u>11,034</u>
Net cash provided (used) by operating activities	<u>\$ 142,438</u>	<u>\$ 100,275</u>	<u>\$ (18,483)</u>	<u>\$ 224,230</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	Balance <u>June 30, 2012</u>
ASSETS	
Cash on deposit	\$ 13,518
<i>Total assets</i>	<u>\$ 13,518</u>
LIABILITIES	
Amount due to individuals (for release bonds)	\$ 8,527
Due to other funds	<u>4,991</u>
<i>Total liabilities</i>	<u>\$ 13,518</u>

See Notes to Financial Statements

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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.

A. 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, 2012.

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 standard 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.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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.

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 revenue – 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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

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.

B. 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.

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 provision 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.

Debt Service – to account for the accumulation of resources for the payment of principal, interest, and related costs on general long-term debt.

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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

Water – to account for the provision 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.

Debt Service Fund is to account for monies received through monthly distribution of property tax revenues, pursuant to Section 7-35-1, NMSA 1978, to serve as the revenue to re-pay the general obligation bonds.

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

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

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

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

Cash and Investments

Cash includes amounts in demand deposits. Cash deposits are reported at carrying amount, which reasonably estimates fair value. State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Pool.

Investments

Investments are stated at fair value. 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.

Inventory

Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the General fund consists of Diesel, gasoline, bulk oil fuels and street and vehicle maintenance supplies. Inventory in the Waste Water and Water funds consist of pipes, valves, and other supply items used to maintain and repair The Village's wastewater and water infrastructure systems.

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

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 per Section 12-6-10 NMSA 1978 and an estimated useful life in excess of one year.

Assets are recorded at historical cost or estimated historical cost if purchases 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 – 5 years
Vehicle and vehicles under capital lease	5 – 7 years
Machinery and Equipment	5 –15 years
Infrastructure	5 – 30 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 vacation leave based on a full time employee's length of service in accordance with the following schedule (each regular part time employee accrues at one-half of the rates):

Length of Service	Accrual Rate Per Pay Period	Working Days Per Year
Less than five (5) years	3.08	10
More than 5 years less than 10 years	4.62	15
More than 10 years less than 15 years	5.54	18
More than 15 years	6.15	20

Regular full time employees shall be allowed to accumulate and carry forward up to two hundred vacation hours of leave equal to twenty five regular working days. Part time employees shall be allowed to accumulate and carry forward one hundred hours of leave. Regular and probationary full-time employees accrue sick leave at the rate of 3.70 hours per pay period, equal to 12 working days per year. Regular and probationary part time employees accrue sick leave at the rate of 1.85 hours per pay

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

period. The maximum on sick leave accrual is capped at 480 hours, equal to 60 days. The Village revised its employee benefit plan for compensated absences. The changes will take effect July 1, 2013.

Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are Nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The Nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Village. Those committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those accounts.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Village or a management official delegated that authority by the formal Village action.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

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. All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are included in unrestricted net assets.

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 GAAP basis of accounting, which recognizes revenues when earned and expenditures when incurred. 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 a resolution.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (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 or 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 estimated.

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. A schedule of pledged collateral for the Village is on page 93.

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 in accordance with Section 6-10-17 NMSA 1978. See page 92 for a reconciliation of bank to book balances.

Concentration of Credit Risk – Investments

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2012**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2012, the State Treasurer Local Government Investment Pool (LGIP) was rated by Standard’s & Poor’s as AAAM. At June 30, 2012, the Village had \$1,393 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 valued 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 noted 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, 2012 was 60 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 place on the properties which have outstanding water bills. Accounts receivable is comprised of the following at June 30, 2012:

Accounts Receivable	\$	1,395,675
Property Tax		5,914
Allowance for uncollectible accounts		<u>(647,086)</u>
Total	\$	<u>754,503</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, 2012

NOTE 4 – CAPITAL ASSETS

Capital Asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Restated Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:						
Land	\$ 563,146	-	\$ 563,146	-	-	\$ 563,146
Land – right of way	2,622,459	-	2,622,459	-	-	2,622,459
Construction in progress	3,511,644	(1,472,103)	2,039,541	-	-	2,039,541
Water Rights	750,000	-	750,000	-	-	750,000
Total capital assets not being depreciated	7,447,249	(1,472,103)	5,975,146	-	-	5,975,146
Capital assets being depreciated:						
Buildings	2,324,758	(76,898)	2,247,860	-	-	2,247,860
Software	275,284	(88,556)	186,728	-	-	186,728
Vehicles	2,763,414	(371,783)	2,391,631	22,394	(216,384)	2,197,641
Capital lease vehicles	776,251	(458,793)	317,458	-	-	317,458
Capital lease equipment	88,384	(88,384)	-	-	-	-
Machinery and equipment	1,376,233	(993,493)	382,740	-	(32,061)	350,679
Infrastructure	12,669,209	(2,083,880)	10,585,329	7,306	-	10,592,635
Total capital assets being depreciated	20,273,533	(4,161,787)	16,111,746	29,700	(248,445)	15,893,001
Less accumulated depreciation for:						
Buildings	(829,953)	11,984	(817,969)	(90,332)	-	(908,301)
Software	(265,113)	88,556	(176,557)	(2,260)	-	(178,817)
Vehicles	(1,738,270)	193,287	(1,544,983)	(230,925)	216,384	(1,559,524)
Capital lease vehicles	(700,173)	492,182	(207,991)	(41,440)	-	(249,431)
Capital lease equipment	(50,505)	50,505	-	-	-	-
Machinery and equipment	(1,147,669)	894,135	(253,534)	(22,281)	32,061	(243,754)
Infrastructure	(4,680,873)	220,235	(4,460,638)	(656,545)	-	(5,117,183)
Water rights	(35,417)	35,417	-	(25,000)	25,000	-
Total accumulated depreciation	(9,447,973)	1,954,240	(7,493,733)	(1,068,783)	273,445	(8,289,071)
Total capital assets being depreciated, net	10,825,560	(2,175,486)	8,650,074	(1,039,083)	25,000	7,603,930
Governmental activities capital assets, net	\$ 18,272,809	\$ (3,679,650)	\$ 14,593,159	\$ (1,039,083)	\$ 25,000	\$ 13,579,076

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

<u>Business-type Activities</u>	<u>Balance</u>	<u>Adjustment</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital assets not being depreciated:						
Land	\$ 860,331	-	\$ 860,331	-	-	\$ 860,331
Construction in progress	241,584	-	241,584	-	-	241,584
Water rights	4,250,000	-	4,250,000	-	-	4,250,000
Total capital assets not being depreciated	5,351,915	-	5,351,915	-	-	5,351,915
Capital assets being depreciated:						
Plant and system	18,837,400	(2,965,418)	15,871,982	-	-	15,871,982
Equipment	936,565	(212,385)	724,180	-	-	724,180
Vehicles	728,795	(327,814)	400,981	-	(28,490)	372,491
Total capital assets being depreciated	20,502,760	(3,505,617)	16,997,143	-	(28,490)	16,968,653
Total capital assets	25,854,675	(3,505,617)	22,349,058	-	(28,490)	22,320,568
Less accumulated depreciation for:						
Plant and system	(12,697,089)	2,732,413	(9,964,676)	(487,020)	-	(10,451,696)
Equipment	(487,058)	183,165	(303,893)	(113,195)	-	(417,088)
Vehicles	(547,359)	305,389	(241,970)	(68,280)	28,490	(281,760)
Total accumulated depreciation	(13,731,506)	3,220,967	(10,510,539)	(668,495)	28,490	(11,150,544)
Total capital assets being depreciated, net	6,771,254	(284,650)	6,486,604	(668,495)	-	5,818,109
Business-type activities capital assets, net	\$ 12,123,169	\$ (284,650)	\$ 11,838,519	\$ (668,495)	\$ -	\$ 11,170,024
Governmental activities:						
General government		\$ 199,036				
Public safety		251,774				
Highways and streets		571,229				
Culture and recreation		208				
Public transportation		44,247				
Water rights		(25,000)				
Economic and physical development		2,289				
Total depreciation expense		\$ 1,039,083				
Business-type activities:						
Waste water		\$ 289,326				
Solid waste		229,531				
Water		149,637				
Total depreciation expense		\$ 668,494				

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 5 – LONG-TERM OBLIGATIONS—GOVERNMENTAL ACTIVITIES

During the year ended June 30, 2012, the following changes occurred:

	<u>Beginning Balance</u>	<u>Adjustment</u>	<u>Adjusted Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans Payable	\$ 5,294,917	\$ 262,146	\$ 5,557,063	\$ 20,000	\$ 353,946	\$ 5,223,117	\$ 327,571
Bonds Payable	5,609,763	(136,621)	5,473,142	-	329,380	5,143,762	345,335
Capital Leases	322,598	(111,128)	211,470	-	50,552	160,918	36,858
Compensated Absences	61,997	-	61,997	15,371	-	77,368	77,368
Total	\$ 11,289,275	\$ 14,397	\$ 11,303,672	\$ 35,371	\$ 733,878	\$ 10,605,165	\$ 787,132

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 6, 2004 the Village obtained a loan from the New Mexico Finance Authority in the amount of \$1,105,557, with a variable interest rate, with a rate of 2.94% during the current fiscal year, for the purpose of improving the roads within the Village. The future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 88,418	\$ 17,360	\$ 105,778
2014	91,423	14,363	105,786
2015	94,649	11,145	105,794
2016	98,112	7,690	105,802
2017	101,830	3,982	105,812
Totals	\$ 474,432	\$ 54,540	\$ 528,972

On July 1, 2008, the Village obtained a loan from First National Bank in Clayton, NM, in the amount of \$99,000, with an interest rate of 4.00%, for the purpose of purchasing an ambulance. The future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 15,000	\$ 1,840	\$ 16,840
2014	15,000	1,240	16,240
2015	16,000	640	16,640
Totals	\$ 46,000	\$ 3,720	\$ 49,720

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

On November 25, 2008, the Village obtained a loan from New Mexico Finance Authority in the amount of \$167,212, with a variable interest rate, with an interest rate of 2.70% during the current fiscal year, 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>
2013	\$ 17,220	\$ 3,713	\$ 20,933
2014	17,718	3,216	20,934
2015	18,264	2,670	20,934
2016	18,855	2,078	20,933
2017	19,495	1,439	20,934
2018	20,187	747	20,934
Totals	\$ 111,739	\$ 13,863	\$ 125,602

On September 23, 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>
2013	\$ 26,000	\$ 26,690	\$ 52,690
2014	27,000	25,585	52,585
2015	28,000	24,438	52,438
2016	29,000	23,248	52,248
2017	31,000	22,015	53,015
2018-2022	174,000	89,337	263,337
2023-2027	214,000	49,089	263,089
2028-2029	99,000	6,376	105,376
Totals	\$ 628,000	\$ 266,778	\$ 894,778

On October 7, 2008, the Village obtained a loan from the USDA Rural Services Department in the amount of \$110,000, with an interest rate of 4.50%, 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>
2013	\$ 4,000	\$ 4,455	\$ 8,455
2014	4,000	4,275	8,275
2015	4,000	4,095	8,095
2016	4,000	3,915	7,915
2017	5,000	3,735	8,735
2018-2022	27,000	15,255	42,255
2023-2027	33,000	8,640	41,640
2028-2029	18,000	1,260	19,260
Totals	\$ 99,000	\$ 45,630	\$ 144,630

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

On August 11, 2008, the Village obtained a line of credit with International Bank in the amount of \$500,000, with an interest rate of 5.00% per annum and for unpaid principal balance additional 1.25% floating rate to be applied. The Village paid down \$71,785 on this line of credit during the fiscal year and had an outstanding balance of \$359,460 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>
2013	\$ 359,460	\$ 20,594	\$ 380,054
Totals	\$ 359,460	\$ 20,594	\$ 380,054

On February 18, 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 \$54,958 during the year and had an outstanding balance of \$992,196 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>
2013	\$ 55,617	\$ 33,634	\$ 89,251
2014	56,452	32,800	89,252
2015	57,519	31,733	89,252
2016	58,842	30,410	89,252
2017	60,377	28,874	89,2551
2018-2022	323,388	115,011	438,399
2023-2027	380,001	50,119	430,120
Totals	\$ 992,196	\$ 322,581	\$ 1,314,777

On February 19, 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>
2013	\$ -	\$ 42,146	\$ 42,146
2014	-	42,146	42,146
2015	-	42,146	42,146
2016	-	42,146	42,146
2017	-	42,146	42,146
2018-2022	26,840	210,227	237,067
2023-2027	73,344	199,716	273,060
2028-2032	560,687	142,068	702,755
2033-2034	262,220	18,882	281,102
Totals	\$ 923,091	\$ 781,623	\$ 1,704,714

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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

On August 6, 2010, the Village obtained a Public Sports Facility loan from New Mexico Finance Authority in the amount of \$1,730,321 for the purpose of Construction of Public Sports Facilities within the Governmental Unit for the Village of Angel Fire. Management has maintained \$129,750 as reserve on the loan at Bank of New York Mellon Trust Company. The Village made a principal payment of \$79,802 during the year and had an outstanding balance of \$1,571,154 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>
2013	\$ 80,496	\$ 49,264	\$ 129,760
2014	81,494	48,266	129,760
2015	82,790	46,970	129,760
2016	84,413	45,348	129,761
2017	86,413	43,347	129,760
2018-2022	471,803	176,999	648,802
2023-2027	558,917	89,885	648,802
2028	124,828	4,931	129,759
Totals	\$ 1,571,154	\$ 505,010	\$ 2,076,164

On September 17, 2010, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$20,000, with a variable interest rate, with an interest rate ranging from 3.76%-3.97% during the current fiscal year, for the purpose of design and engineering costs associated with implementing phase one of six of the water reuse project in 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>
2013	\$ 981	\$ 45	\$ 1,026
2014	984	43	1,027
2015	986	40	1,026
2016	989	38	1,027
2017	991	35	1,026
2018-2022	4,994	139	5,133
2023-2027	5,056	76	5,132
2028-2030	3,064	16	3,080
Totals	\$ 18,045	\$ 432	\$ 18,477

Bonds Payable

The Village issued \$700,000 in Rural Utilities Service Bonds on July 23, 1997. The bonds mature January 1, 2037 and were issued at 5.0%. The proceeds of the bonds were used to construct the community center. The future requirements for the 1997 Rural Utilities Service Bonds are as follows:

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 12,000	\$ 28,800	\$ 40,800
2014	13,000	28,200	41,200
2015	13,000	27,550	40,550
2016	14,000	26,900	40,900
2017	15,000	26,200	41,200
2018-2022	85,000	119,250	204,250
2023-2027	110,000	95,500	205,500
2028-2032	138,000	65,350	203,350
2033-2037	176,000	27,150	203,150
Totals	\$ 576,000	\$ 444,900	\$ 1,020,900

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 50,000	\$ 1,125	\$ 51,125
Totals	\$ 50,000	\$ 1,125	\$ 51,125

The Village issued \$750,000 in Gross Receipts Tax Revenue Bonds, Series 2003, on March 30, 2003. The bonds mature July 1, 2018 and were issued at 4.5%. The proceeds of the bonds were used to purchase and improve the Village Hall property. The future requirements for the 2003 Gross Receipts Tax Revenue Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 52,476	\$ 16,823	\$ 69,299
2014	54,864	14,435	69,299
2015	87,361	11,938	69,299
2016	59,971	9,328	69,299
2017	62,700	6,599	69,299
2018-2019	99,440	4,508	103,948
Totals	\$ 386,812	\$ 63,631	\$ 450,443

On September 28, 2007, the Village issued \$1,886,042 in Joint Utility System Improvement Revenue Bonds, Series 2007. The bonds mature on September 28, 2027, and were issued at 4.25%. The proceeds of the bonds were available to the Village for improvement related expenses and were to be drawn down through USDA-RUS approved requisitions. The outstanding balance for these bonds at June 30, 2012 was \$1,628,528. The future requirements for the 2007 Joint Utility System Improvement Revenue Bonds are as follows:

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 72,486	\$ 66,620	\$ 139,106
2014	80,000	66,132	146,132
2015	80,000	62,732	142,732
2016	80,000	59,332	139,332
2017	90,000	55,932	145,932
2018-2022	490,000	221,010	711,010
2023-2027	610,000	106,685	716,685
2028	126,042	5,357	131,399
Totals	\$ 1,628,528	\$ 643,800	\$ 2,272,328

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 115,900	\$ 90,049	\$ 205,949
2014	120,700	85,268	205,968
2015	125,600	80,289	205,889
2016	130,800	75,108	205,908
2017	136,200	69,713	205,913
2018-2022	770,100	259,503	1,029,603
2023-2027	783,701	87,009	870,710
Totals	\$ 2,183,001	\$ 746,939	\$ 2,929,940

On December 18, 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 1, 2019. The proceeds of the bonds were used to purchase a Ladder Truck within the Village. The future requirements for the 2009 State Shared Gross Receipts Tax Revenue Bonds (Ladder Truck Loan) are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 42,466	\$ 8,776	\$ 51,242
2014	43,227	8,016	51,243
2015	44,178	7,065	51,243
2016	45,317	5,925	51,242
2017	46,600	4,643	51,243
2018-2019	97,633	4,901	102,534
Totals	\$ 319,421	\$ 39,326	\$ 358,747

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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 Oshkosh Capital under a lease which is accounted for as capital leases. The leased assets is for 2011 Windland Truck. The lease obligation outstanding as of June 30, 2012 is \$155,516. The cost and carrying value of the asset under lease is 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>
2013	\$ 41,797	\$ 5,618	\$ 47,415
2014	38,174	4,236	42,410
2015	39,537	2,873	42,410
2016	40,948	1,462	42,410
Total	\$ 160,456	\$ 14,189	\$ 174,645

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 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>Adjustment</u>	<u>Adjusted Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans Payable	\$ 1,337,652	\$ (13,568)	\$ 1,324,084	\$ -	\$ 167,324	\$ 1,156,760	\$ 171,614
Bonds Payable	5,172,000	-	5,172,000	-	92,000	5,080,000	96,000
Capital Leases	208,856	1,250	210,106	-	100,655	104,471	78,808
Compensated Absences	24,767	-	24,767	17,653	6,618	35,801	35,801
Total	\$ 6,743,275	\$ (12,318)	\$ 6,730,957	\$ 17,653	\$ 366,597	\$ 6,377,032	\$ 382,223

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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

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%.

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>
2013	\$ 9,055	\$ 183	\$ 9,238
2014	9,078	160	9,238
2015	9,101	137	9,238
2016	9,124	115	9,239
2017	9,147	92	9,239
2018-2020	27,579	138	27,717
Totals	\$ 73,084	\$ 825	\$ 73,909

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>
2013	\$ 64,956	\$ 30,002	\$ 94,958
2014	67,516	27,448	94,964
2015	70,250	24,720	94,970
2016	73,174	21,805	94,979
2017	76,300	18,686	94,986
2018-2021	340,485	39,549	380,034
Totals	\$ 692,681	\$ 162,210	\$ 854,891

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>
2013	\$ 41,000	\$ 8,772	\$ 49,772
2014	42,000	7,587	49,587
2015	43,000	6,294	49,294
2016	44,000	4,901	48,901
2017	46,000	3,409	49,409
2018	48,000	1,776	49,776
Totals	\$ 264,000	\$ 32,739	\$ 296,739

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6 – LONG-TERM DEBT—BUSINESS TYPE ACTIVITIES

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 48,000	\$ 1,387	\$ 49,387
Totals	\$ 48,000	\$ 1,387	\$ 49,387

On January 8, 2010, the Village obtained a loan from the New Mexico Finance Authority in the amount of \$84,980, for the purchase and installation of a one million 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>
2013	\$ 8,603	\$ 384	\$ 8,987
2014	4,317	176	4,493
2015	4,328	165	4,493
2016	4,339	154	4,493
2017	4,350	144	4,494
2018-2022	21,915	555	22,470
2023-2027	22,190	280	22,470
2028-2029	8,953	33	8,986
Totals	\$ 78,995	\$ 1,891	\$ 80,886

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, 2038 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 follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 48,000	\$ 120,650	\$ 168,650
2014	51,000	118,370	169,370
2015	53,000	115,948	168,948
2016	55,000	113,430	168,430
2017	58,000	110,818	168,818
2018-2022	335,000	509,914	844,914
2023-2027	421,000	422,562	843,562
2028-2032	531,000	312,599	843,599
2033-2037	671,000	173,850	844,850
2038-2039	317,000	22,801	339,801
Totals	\$ 2,540,000	\$ 2,020,942	\$ 4,560,942

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 6 – LONG-TERM DEBT—BUSINESS TYPE ACTIVITIES

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>
2013	\$ 48,000	\$ 120,650	\$ 168,650
2014	51,000	118,370	169,370
2015	53,000	115,948	168,948
2016	55,000	113,430	168,430
2017	58,000	110,818	168,818
2018-2022	335,000	509,914	844,914
2023-2027	421,000	422,562	843,562
2028-2032	531,000	312,599	843,599
2033-2037	671,000	173,850	844,850
2038-2039	317,000	22,801	339,801
Totals	\$ 2,540,000	\$ 2,020,942	\$ 4,560,942

Lease Purchase Obligations

The Village is obligated to CNH Capital and the Kansas State Bank of Manhattan under leases which are accounted for as capital leases. The leased assets are for use in the Water and Waste Water enterprises. The gross amount of vehicles and equipment under capital lease is \$403,568. The future requirements for capital leases are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 78,808	\$ 4,397	\$ 83,205
2014	25,663	694	26,357
Total	\$ 104,471	\$ 5,091	\$ 109,562

NOTE 7 – INTERFUND BALANCES

The following are amounts owed between funds and are classified as due from/to other funds at June 30, 2012.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

<u>Due From Other Funds</u>	<u>Amount</u>	<u>Due To Other Funds</u>	<u>Amount</u>
Major Governmental Funds:		Major Governmental Funds:	
General Fund	\$ 1,500,707	General Fund	\$ 1,796,732
Debt Service Fund	-	Debt Service Fund	1,826,782
Total Major Governmental Funds	\$ <u>1,500,707</u>	Total Major Governmental Funds	\$ <u>3,623,514</u>
Nonmajor Governmental Funds:		Nonmajor Governmental Funds:	
Corrections Fund	\$ 55,765	Corrections Fund	\$ 12,470
FEMA Fund	6,451	Environmental Fund	14,225
Wildland Fires Fund	200,662	FEMA Fund	103,486
Fire Protection Fund	309,626	Emergency Medical Service Fund	30,768
LEP Fund	11,020	Fire Protection Fund	5,835
Lodgers Tax Reserve Fund	361,738	LEP Fund	19,576
Sports and Recreation Fund	100,773	Lodgers Tax Chamber Fund	1,750
Transportation Fund	89,837	Public Works Fund	63,125
NM Clean and Beautiful	7,301	Shuter Library	7,326
Community Center Fund	142,246	Transportation Fund	321,857
Fire Donations Fund	604	Motor Vehicle Fund	54,200
Public Safety Building Fund	523,526	Community Center Fund	428,429
Capital Projects	6,250	Capital Projects Fund	1,995
Capital Building Water Tank Fund	681,367	Capital Building Water Tank Fund	7,900
Forrest Thinning Fund	86,425	Forrest Thinning Fund	67,139
Lagoon Cleanup Fund	42,860	Wildland Urban Interface Fund	4,128
HUD Assessment District Fund	15,409	Lagoon Cleanup Fund	169,097
Street Project Fund	104,833	HUD Assessment District Fund	15,409
MAP Grants Fund	266,625	Transfer Station Fund	238,253
Back Basin Road Fund	45	Transit Facility Fund	2,851
Fire Protection Facility Fund	8,410	CIP-Water Project	37,334
GO Bond Debt Service	5,626	Street Project Fund	25,365
Debt Service GRT Intercept	15,793	MAP Grant Fund	60,406
HWY 434 Assessment	361,111	Debt Service GRT Intercept	325,181
	-	Debt Service Ambulance	17,728
	-	HWY 434 Assessment	21,705
Total Nonmajor Governmental Funds	\$ <u>3,404,303</u>	Total Nonmajor Governmental Funds	\$ <u>2,057,538</u>
Enterprise Funds:		Enterprise Funds:	
Solid Waste Fund	\$ 172,284	WasteWater Fund	\$ 560,213
Water Fund	1,452,916	Solid Waste Fund	25,657
	-	Water Fund	258,297
Total Enterprise Funds	\$ <u>1,625,200</u>	Total Enterprise Funds	\$ <u>844,167</u>
		Agency Fund	
		Municipal Court Fund	4,991
Grand Total	\$ <u>6,530,210</u>	Grand Total	\$ <u>6,530,210</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 8 – DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balances at June 30, 2012:

General Fund	\$ (347,677)
Debt Service	(1,622,994)
Wastewater	(1,608,781)
Safer Grant	(97,494)
State EMS	(13,241)
Shuter Library	(7,326)
Lodgers Tax Chamber	(1,750)
Public Works	(63,125)
Transit	(232,020)
Community Center	(286,183)
Motor Vehicle	(45,640)
Wildland Urban Interface	(4,128)
Lagoon Cleanup	(126,237)
Transfer Station Construction	(238,253)
Transit Facility Construction	(2,851)
CIP Water Project	(37,334)
Ambulance	(17,728)
Total	\$ <u>(4,752,762)</u>

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 9 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2012 consisted of the following:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
Major Governmental Funds:		Major Governmental Funds:	
Debt Service Fund		General Fund	
From General Fund	\$ 521,020	To Debt Service Fund	\$ 521,020
From Fire Protection Fund	61,388	To Solid Waste Fund	30,824
From Sports and Recreation Fund	113,678		-
From Motor Vehicle Fund	37,778		-
From HWY 434 Assessment	156,104		-
From WasteWater Fund	1,875		-
From Water Fund	57,397		-
Total Major Governmental Funds	\$ 949,240	Total Major Governmental Funds	\$ 551,844
Nonmajor Governmental Funds:	-	Nonmajor Governmental Funds:	
	-	State Fire Protection Fund	\$ 61,388
	-	Sports and Recreation Fund	113,678
	-	Motor Vehicle Fund	37,778
	-	HWY 434 Assessment	156,104
Total Nonmajor Governmental Funds	-	Total Nonmajor Governmental Funds	\$ 368,948
Enterprise Funds:		Enterprise Funds:	
Solid Waste Fund	\$ 30,824	WasteWater Fund	\$ 1,875
	-	Water Fund	57,397
Total Enterprise Funds	\$ 30,824	Total Enterprise Funds	\$ 59,272
Grand Total	\$ 980,064	Grand Total	\$ 980,064

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 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 levied on January 1 of the year for which the taxes are imposed.

NOTE 11 – PENSION PLAN—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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

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.

The Village of Angel Fire participates in PERA under three groups: "Municipal Plan 2" effective from first full pay period in March 1998, "Municipal Fire Plan 5" effective from first full pay period in November 1998, and "Municipal Police Plan 5" effective from first full pay period in April 2008.

Funding Policy

Plan members in the regular plan are required to contribute 9.15%, in the law enforcement plan 16.30%, and in the fire plan 16.2%. The Village of Angel Fire is required to contribute 9.15% for regular plan members, 18% for law enforcement plan members, and 21.25% for fire plan members. The contribution requirements of the 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, 2012, 2011, and 2010 were \$225,337, \$209,056 and \$223,386, 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, 2012, 2011 and 2010, 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, 2012**

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 management, 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 resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantor. As of June 30, 2012, management estimates that no material liabilities will result from such audits.

Commitments

The Village contracts with outside vendors for construction projects. At June 30, 2012, the total amount of contracts outstanding for capital projects could not be determined by the Village.

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, 2012. 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, 2012.

2013	\$	60,333
2014		60,549
2015		58,954
2016		47,705
2017		38,003
Thereafter		39,311
Total	\$	<u>304,855</u>

NOTE 15 – BUDGET OVERAGES

The budget for the following funds was overspent during fiscal year 2012:

General Fund	\$	(137,983)
Corrections Fund		(27,815)
Wildland Fires Fund		(642)
Fire Protection Fund		(74,573)
EMS Donations Fund		(340)
Motor Vehicle Fund		(16,260)
WasteWater Fund		(220,758)
Solid Waste Fund		(106,353)
Water Fund		(11,086)
Total	\$	<u>(595,810)</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

NOTE 15 – BUDGET OVERAGES (CONTINUED)

The following fund was not appropriately budgeted for but was utilized in fiscal year 2012:

Emergency Medical Services Fund	\$	340
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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.

SUPPLEMENTARY INFORMATION

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2012**

SPECIAL REVENUE FUNDS:

Corrections Fund 201 and Fund 210

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 section 33-9-3 NMSA, 1978.

Solid Waste Grants Fund 202

To account for the State of New Mexico Environment Department grant funds to purchase recycling equipment for the Solid Waste Department. The fund is authorized by the Village Council.

Volunteer Fire Assistance and Reserve Fire Assistance Grant Fund 204

To account for the grant from the New Mexico Energy, Minerals and Natural Resources Department for expenditures incurred for Fire Fighting Equipment to include Mobile BK Radios, Portable BK Radios, and Multi-Band Radios. The fund is authorized by the Village Council.

Safer Grant Fund 205

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 section 7-9-29 NMSA, 1978.

Emergency Medical Services Fund 206

To account for all rescue operations undertaken by the Fire Department and funded through State grants. The fund was established by sections 24-10A-1 through 24-10A-10 NMSA, 1978.

Wildland Fires Fund 208

To account for the State of New Mexico Energy, Minerals & Natural Resources Department grant funds to provide personnel and equipment to fight wildland fires. The fund is authorized by the Village Council

State Fire Protection Fund 209

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 section 59-A-53-1 NMSA, 1978.

Law Enforcement Protection Fund 211

To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is section 29-13-14 NMSA, 1978.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2012**

Lodgers Tax Reserve Fund 213

To account for lodgers tax collections. The tax is to be used for cultural and recreational activities. The fund was established by section 3-38-14 NMSA, 1978.

Lodgers Tax Chambers Fund 215

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.

Public Works Fund 216

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 sections 7-1 6-9 and 7-1 6-27 NMSA, 1978.

Sports and Recreation Fund 217

To account for Village revenues and expenditures relating to recreational facilities and sports and recreation programs. The monetary funds to support the activities carried out in this fund come from the State. The fund was established by section 7-12-15 NMSA, 1978.

Retreats for Veterans Fund 218

To act as fiscal agent for State of New Mexico Department of Veteran's Services grant funds to the National Veteran's Wellness and Healing Center in Angel Fire to provide health and wellness retreats for veterans. The fund is authorized by the Village Council.

Shuter Library Fund 219

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

Transportation Fund 224

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 CFR 49 USC 5311.

NM Clean and Beautiful Fund 230

To account for the grant from the New Mexico State Highway and Transportation Department for expenditures incurred for aid and litter control and beautification projects. The fund is authorized by the Village Council.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2012**

Community Center Fund 250

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

Fire Donations Fund 260

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

Motor Vehicle Fund 233

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.

EMS Donations Fund 261

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

CAPITAL PROJECTS FUNDS

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

Public Safety Building Fund 310

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

Capital Projects Fund 312

To account for financial resources to be used for the acquisition or construction of major capital facilities other than those constructed for proprietary funds. In FY12 activity included the MAP grant and the Capital Building Water Tank grant authorized by the Village Council.

Capital Building Water Tank Fund 314

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.

Forest Thinning Fund 316

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2012**

Wildland Urban Interface Fund 317

To account for the State of New Mexico Energy, Minerals & Natural Resources Department grant funds relative to defensible space project within the Village. The fund is authorized by the Village Council.

Lagoon Cleanup Fund 318

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.

HUD Assessment Fund 319

To account for funds relative to infrastructure improvements for the Village of Angel Fire

Transfer Station Construction Fund 320

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

Transit Facility Construction Fund 321

To account for the funds used to construct the Public Safety Building for the Village of Angel Fire. The fund is authorized by the Village Council.

CIP Water Project Fund 330

To account for the funds used to provide a new 300,000 gallon storage tank and related pipeline for the Village of Angel Fire. The fund is authorized by the Village Council.

GRT Road Project Fund 350

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.

MAP Grant Fund 360

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).

Back Basin Road Fund 378

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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2012**

Fire Protection Facility Fund 381

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 59A-53-7 NMSA, 1978

HWY 434 Assessment Fund 507

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.

DEBT SERVICE FUNDS

Ambulance Service 405

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

Municipal Court Bond Fund

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

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>Special Revenue</u>			
	Corrections Fund 201 & 210	Solid Waste Grants Fund 202	VFA/RFA Grant 204	Safer Grant 205
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Taxes	-	-	-	-
Special Assessment Districts	-	-	-	-
Receivables from external parties	-	14,225	-	-
Due from other funds	55,765	-	-	6,451
	<u>55,765</u>	<u>-</u>	<u>-</u>	<u>6,451</u>
<i>Total assets</i>	<u>\$ 55,765</u>	<u>\$ 14,225</u>	<u>\$ -</u>	<u>\$ 6,451</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	459
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	12,470	14,225	-	103,486
	<u>12,470</u>	<u>14,225</u>	<u>-</u>	<u>103,486</u>
<i>Total liabilities</i>	<u>12,470</u>	<u>14,225</u>	<u>-</u>	<u>103,945</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	43,295	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	(97,494)
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
	<u>43,295</u>	<u>-</u>	<u>-</u>	<u>(97,494)</u>
<i>Total fund balance (deficit)</i>	<u>43,295</u>	<u>-</u>	<u>-</u>	<u>(97,494)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 55,765</u>	<u>\$ 14,225</u>	<u>\$ -</u>	<u>\$ 6,451</u>

See Notes to Financial Statements

Special Revenue

State EMS 206	Wildland Fires 208	State Fire Protection 209	LEPF Fund 211	Lodgers Tax 213	Lodgers Tax Chamber 215	Public Works 216
\$ 17,527	\$ -	\$ 44,876	\$ 10,463	\$ 77,092	\$ -	\$ -
-	-	-	-	31,972	-	-
-	-	-	-	-	-	-
-	44,670	-	-	-	-	-
-	200,662	309,626	11,020	361,738	-	-
<u>\$ 17,527</u>	<u>\$ 245,332</u>	<u>\$ 354,502</u>	<u>\$ 21,483</u>	<u>\$ 470,802</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,096	3,782	-	6,876	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,768	-	5,835	19,576	-	1,750	63,125
<u>30,768</u>	<u>3,096</u>	<u>9,617</u>	<u>19,576</u>	<u>6,876</u>	<u>1,750</u>	<u>63,125</u>
-	-	-	-	-	-	-
-	242,236	344,885	1,907	463,926	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(13,241)	-	-	-	-	(1,750)	(63,125)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(13,241)</u>	<u>242,236</u>	<u>344,885</u>	<u>1,907</u>	<u>463,926</u>	<u>(1,750)</u>	<u>(63,125)</u>
<u>\$ 17,527</u>	<u>\$ 245,332</u>	<u>\$ 354,502</u>	<u>\$ 21,483</u>	<u>\$ 470,802</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

Special Revenue

	Sports & Recreation 217	Retreats For Veterans 218	Shuter Library 219	Transit 5311 224
ASSETS				
Cash and investments	\$ 5,249	\$ -	\$ -	\$ -
Receivables:				
Taxes	15,030	-	-	-
Special Assessment Districts	-	-	-	-
Receivables from external parties	-	-	-	-
Due from other funds	100,773	-	-	89,837
<i>Total assets</i>	<u>\$ 121,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,837</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	-	-	7,326	321,857
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>7,326</u>	<u>321,857</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	121,052	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	(7,326)	(232,020)
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>121,052</u>	<u>-</u>	<u>(7,326)</u>	<u>(232,020)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 121,052</u>	<u>-</u>	<u>-</u>	<u>89,837</u>

See Notes to Financial Statements

Special Revenue

NM Clean & Beautiful 230	Community Center 250	Fire Donations 260	Motor Vehicle 233	EMS Donations 261	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ 2,862	\$ -	\$ 158,069
-	-	-	9,288	-	56,290
-	-	-	-	-	-
-	-	-	-	-	58,895
<u>7,301</u>	<u>142,246</u>	<u>604</u>	<u>-</u>	<u>-</u>	<u>1,286,023</u>
<u>\$ 7,301</u>	<u>\$ 142,246</u>	<u>\$ 604</u>	<u>\$ 12,150</u>	<u>\$ -</u>	<u>\$ 1,559,277</u>
-	-	-	2,643	-	16,397
-	-	-	947	-	1,406
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>428,429</u>	-	<u>54,200</u>	-	<u>1,063,047</u>
-	<u>428,429</u>	-	<u>57,790</u>	-	<u>1,080,850</u>
-	-	-	-	-	-
7,301	-	604	-	-	1,225,206
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(286,183)	-	(45,640)	-	(746,779)
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,301</u>	<u>(286,183)</u>	<u>604</u>	<u>(45,640)</u>	<u>-</u>	<u>478,427</u>
<u>7,301</u>	<u>142,246</u>	<u>604</u>	<u>12,150</u>	<u>-</u>	<u>1,559,277</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Capital Projects			
	Public Safety Building 310	Capital Projects 312	CB Water Tank 314	Forest Thinning 316
ASSETS				
Cash and investments	\$ 817	\$ 1,995	\$ -	\$ -
Receivables:				
Taxes	11,828	-	-	-
Special Assessment Districts	-	-	-	-
Receivables from external parties	-	5,189	-	-
Due from other funds	<u>523,526</u>	<u>6,250</u>	<u>681,367</u>	<u>86,425</u>
<i>Total assets</i>	<u>\$ 536,171</u>	<u>\$ 13,434</u>	<u>\$ 681,367</u>	<u>\$ 86,425</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	44,542	-	-	-
Accrued payroll liabilities	-	-	-	3,332
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	<u>-</u>	<u>1,995</u>	<u>7,900</u>	<u>67,139</u>
<i>Total liabilities</i>	<u>44,542</u>	<u>1,995</u>	<u>7,900</u>	<u>70,471</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	491,629	11,439	673,467	15,954
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balance (deficit)</i>	<u>491,629</u>	<u>11,439</u>	<u>673,467</u>	<u>15,954</u>
<i>Total liabilities and fund balance</i>	<u>\$ 536,171</u>	<u>\$ 13,434</u>	<u>\$ 681,367</u>	<u>\$ 86,425</u>

See Notes to Financial Statements

Capital Projects

Wildland Urban Interface 317	Lagoon Cleanup 318	HUD Assessment 319	Transfer Station Construction 320	Transit Facility Construction 321	CIP Water Project 330	GRT Road Project 350	MAP Grant 360
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	42,860	15,409	-	-	-	104,833	266,625
<u>\$ -</u>	<u>\$ 42,860</u>	<u>\$ 15,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,833</u>	<u>\$ 266,625</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,128	169,097	15,409	238,253	2,851	37,334	25,365	60,406
<u>4,128</u>	<u>169,097</u>	<u>15,409</u>	<u>238,253</u>	<u>2,851</u>	<u>37,334</u>	<u>25,365</u>	<u>60,406</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	79,468	206,219
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(4,128)	(126,237)	-	(238,253)	(2,851)	(37,334)	-	-
-	-	-	-	-	-	-	-
<u>(4,128)</u>	<u>(126,237)</u>	<u>-</u>	<u>(238,253)</u>	<u>(2,851)</u>	<u>(37,334)</u>	<u>79,468</u>	<u>206,219</u>
<u>\$ -</u>	<u>\$ 42,860</u>	<u>\$ 15,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,833</u>	<u>\$ 266,625</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

Capital Projects

	Back Basin Road 378	Fire Protection Facility 381	HWY 434 Assessment 507	Total Capital Project Funds
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 2,812
Receivables:				
Taxes	-	-	-	11,828
Special Assessment Districts	-	-	13,451	13,451
Receivables from external parties	-	-	-	5,189
Due from other funds	45	8,410	361,111	2,096,861
<i>Total assets</i>	<u>\$ 45</u>	<u>\$ 8,410</u>	<u>\$ 374,562</u>	<u>\$ 2,130,141</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	-	-	-	44,542
Accrued payroll liabilities	-	-	-	3,332
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	-	-	120,118	749,995
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>120,118</u>	<u>797,869</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	45	8,410	254,444	1,741,075
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	(408,803)
Debt service	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>45</u>	<u>8,410</u>	<u>254,444</u>	<u>1,332,272</u>
<i>Total liabilities and fund balance</i>	<u>\$ 45</u>	<u>\$ 8,410</u>	<u>\$ 374,562</u>	<u>\$ 2,130,141</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	Ambulance Debt Service Fund 405	Totals
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ -	\$ 160,881
Receivables:		-
Taxes	-	68,118
Special Assessment Districts	-	13,451
Receivables from external parties	-	64,084
Due from other funds	-	3,382,884
	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 3,689,418</u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts payable	-	60,939
Accrued payroll liabilities	-	4,738
Deposits payable	-	-
Due to other external parties	-	-
Due to other funds	17,728	1,830,770
	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u>17,728</u>	<u>1,896,447</u>
<i>Fund Balance:</i>		
Nonspendable - inventory	-	-
Restricted for:		
Special revenue funds	-	1,225,206
Capital projects funds	-	1,741,075
Debt service	-	-
Unassigned for:		
General fund	-	-
Special revenue funds	-	(746,779)
Capital projects funds	-	(408,803)
Debt service	(17,728)	(17,728)
	<u> </u>	<u> </u>
<i>Total fund balance (deficit)</i>	<u>(17,728)</u>	<u>1,792,971</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 3,689,418</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue			
	Corrections Fund 201 & 210	Solid Waste Grants 202	VFA/RFA Grant 204	Safer Grant 205
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	3,952	-	-	-
Charges for services	-	-	-	-
Intergovernmental - state sources	-	18,885	13,200	-
Intergovernmental - federal sources	-	14,225	-	28,642
Special assessments	-	-	-	-
Contributions and donations	-	-	-	-
Investment earnings	-	-	-	-
Other	-	-	-	-
<i>Total revenues</i>	<u>3,952</u>	<u>33,110</u>	<u>13,200</u>	<u>28,642</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	13,200	18,025
Economic and physical development	-	-	-	-
Highways and streets	-	-	-	-
Health	-	14,225	-	-
Culture and recreation	-	-	-	-
Planning	-	-	-	-
Capital outlay	-	18,885	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and administrative fees	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>33,110</u>	<u>13,200</u>	<u>18,025</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,952</u>	<u>-</u>	<u>-</u>	<u>10,617</u>
<i>Other financing sources (uses):</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	3,952	-	-	10,617
<i>Fund balances (deficits) - beginning of year</i>	39,343	-	-	(108,111)
<i>Restatement prior period</i>	-	-	-	-
<i>Fund balances (deficits) - beginning restated</i>	39,343	-	-	(108,111)
<i>Fund balances (deficits) - end of year</i>	<u>\$ 43,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,494)</u>

See Notes to Financial Statements

Special Revenue

State EMS 206	Wildland Fires 208	State Fire Protection 209	LEPF Fund 211	Lodgers Tax 213	Lodgers Tax Chamber 215	Public Works 216	Sports & Recreation 217
\$ -	\$ -	\$ -	\$ -	\$ 248,784	\$ -	\$ -	\$ 1
-	-	-	-	-	-	-	-
1,155	200,080	-	-	-	-	-	134,679
8,827	-	164,848	21,916	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,864
-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	6,480
<u>9,982</u>	<u>200,080</u>	<u>164,848</u>	<u>21,916</u>	<u>248,784</u>	<u>-</u>	<u>-</u>	<u>151,074</u>
-	-	-	-	-	-	-	-
5,067	12,194	78,276	8,486	-	-	-	-
-	-	-	-	117,693	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	53,552	-	-	63,880
-	-	-	-	-	-	-	-
-	-	100,000	-	-	-	-	15,343
-	-	-	-	-	-	-	-
<u>5,067</u>	<u>12,194</u>	<u>178,276</u>	<u>8,486</u>	<u>171,245</u>	<u>-</u>	<u>-</u>	<u>79,223</u>
<u>4,915</u>	<u>187,886</u>	<u>(13,428)</u>	<u>13,430</u>	<u>77,539</u>	<u>-</u>	<u>-</u>	<u>71,851</u>
-	-	-	-	-	-	-	-
-	-	(61,388)	-	-	-	-	(113,678)
-	-	-	-	-	-	-	-
-	-	<u>(61,388)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,678)</u>
4,915	187,886	(74,816)	13,430	77,539	-	-	(41,827)
(18,156)	54,350	419,701	(11,523)	386,387	(1,750)	(63,125)	162,879
-	-	-	-	-	-	-	-
(18,156)	54,350	419,701	(11,523)	386,387	(1,750)	(63,125)	162,879
<u>\$ (13,241)</u>	<u>\$ 242,236</u>	<u>\$ 344,885</u>	<u>\$ 1,907</u>	<u>\$ 463,926</u>	<u>\$ (1,750)</u>	<u>\$ (63,125)</u>	<u>\$ 121,052</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue				
	Retreats For Veterans 218	Shuter Library 219	Transit 5311 224	NM Clean & Beautiful 230	Community Center 250
<i>Revenues:</i>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental - state sources	-	1,360	-	4,788	-
Intergovernmental - federal sources	175,000	-	-	-	-
Special assessments	-	-	-	-	-
Contributions and donations	-	-	-	300	-
Investment earnings	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	175,000	1,360	-	5,088	-
<i>Expenditures:</i>					
Current					
General government	-	-	-	-	-
Public safety	-	1,359	-	-	-
Economic and physical development	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health	226,630	-	-	-	-
Culture and recreation	-	-	-	2,787	262
Planning	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and administrative fees	-	-	-	-	-
Total expenditures	226,630	1,359	-	2,787	262
<i>Excess (deficiency) of revenues over expenditures</i>	(51,630)	1	-	2,301	(262)
<i>Other financing sources (uses):</i>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(51,630)	1	-	2,301	(262)
<i>Fund balances (deficits) - beginning of year</i>	16,630	(12,236)	(232,020)	5,000	(285,921)
<i>Restatement prior year</i>	35,000	4,909	-	-	-
Fund balances (deficits) - beginning restated	51,630	(7,327)	(232,020)	5,000	(285,921)
Fund balances (deficits) - end of year	\$ -	\$ (7,326)	\$ (232,020)	\$ 7,301	\$ (286,183)

See Notes to Financial Statements

Special Revenue				Capital Projects		
Fire Donations 260	Motor Vehicle 233	EMS Donations 261	Total Special Revenue Funds	Public Safety Building 310	Capital Projects 312	CB Water Tank 314
\$ -	\$ -	\$ -	\$ 248,785	\$ 92,419	\$ -	\$ -
-	-	-	3,952	-	-	-
-	53,140	-	389,054	-	-	-
-	-	-	233,824	-	142,602	-
-	-	-	217,867	-	-	-
-	-	-	-	-	-	-
-	-	-	10,164	-	-	-
-	3	-	53	-	-	-
-	-	-	6,480	-	-	-
-	53,143	-	1,110,179	92,419	142,602	-
-	-	-	-	-	-	-
-	-	340	136,947	-	136,423	-
-	-	-	117,693	-	-	-
-	61,005	-	61,005	-	-	-
-	-	-	240,855	-	-	-
-	-	-	120,481	-	-	-
-	-	-	-	-	-	-
-	-	-	134,228	14,500	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	61,005	340	811,209	14,500	136,423	-
-	(7,862)	(340)	298,970	77,919	6,179	-
-	-	-	-	-	-	-
-	(37,778)	-	(212,844)	-	-	-
-	-	-	-	-	-	-
-	(37,778)	-	(212,844)	-	-	-
-	(45,640)	(340)	86,126	77,919	6,179	-
604	-	340	352,392	413,710	(8,074)	673,467
-	-	-	39,909	-	13,334	-
604	-	340	392,301	413,710	5,260	673,467
\$ 604	\$ (45,640)	\$ -	\$ 478,427	\$ 491,629	\$ 11,439	\$ 673,467

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Capital Projects				
	Forest Thinning 316	Wildland Urban Interface 317	Lagoon Cleanup 318	HUD Assessment 319	Transfer Station Construction 320
<i>Revenues:</i>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental - state sources	-	-	-	-	-
Intergovernmental - federal sources	111,264	47,078	-	-	-
Special assessments	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Investment earnings	-	-	-	-	-
Other	-	-	-	-	-
<i>Total revenues</i>	<u>111,264</u>	<u>47,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current</i>					
General government	-	-	-	-	-
Public safety	98,060	45,925	-	-	-
Economic and physical development	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Planning	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and administrative fees	-	-	-	-	-
<i>Total expenditures</i>	<u>98,060</u>	<u>45,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,204</u>	<u>1,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	13,204	1,153	-	-	-
<i>Fund balances (deficits) - beginning of year</i>	(35,352)	(5,281)	(126,237)	-	(238,253)
<i>Restatement prior period</i>	38,102	-	-	-	-
<i>Fund balances (deficits) - beginning restated</i>	2,750	(5,281)	(126,237)	-	(238,253)
<i>Fund balances (deficits) - end of year</i>	<u>\$ 15,954</u>	<u>\$ (4,128)</u>	<u>\$ (126,237)</u>	<u>\$ -</u>	<u>\$ (238,253)</u>

See Notes to Financial Statements

Capital Projects

Transit Facility Construction 321	CIP Water Project 330	GRT Road Project 350	COOP/ MAP/ Grants 360	Back Basin 378	Fire Protection Facility 381	HWY 434 Assessment 507	Total Capital Project Funds
\$ -	\$ -	\$ 161,142	\$ -	\$ -	\$ -	\$ -	\$ 253,561
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	142,602
-	-	-	-	-	-	-	158,342
-	-	-	-	-	-	168,216	168,216
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	161,142	-	-	-	168,216	722,721
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	280,408
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	294,908
-	-	161,142	-	-	-	168,216	427,813
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(156,104)	(156,104)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(156,104)	(156,104)
-	-	161,142	-	-	-	12,112	271,709
(2,851)	(37,334)	(81,674)	206,219	45	8,410	242,332	1,009,127
-	-	-	-	-	-	-	51,436
(2,851)	(37,334)	(81,674)	206,219	45	8,410	242,332	1,060,563
<u>\$ (2,851)</u>	<u>\$ (37,334)</u>	<u>\$ 79,468</u>	<u>\$ 206,219</u>	<u>\$ 45</u>	<u>\$ 8,410</u>	<u>\$ 254,444</u>	<u>\$ 1,332,272</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Debt Service</u>	<u>Total Nonmajor</u>
	Ambulance	Governmental Funds
	Debt Service Fund	
	405	Totals
<i>Revenues:</i>		
Taxes	\$ -	\$ 502,346
Licenses, permits, fees and fines	-	3,952
Charges for services	-	389,054
Intergovernmental - state sources	-	376,426
Intergovernmental - federal sources	-	376,209
Special assessments	-	168,216
Contributions and donations	-	10,164
Investment earnings	-	53
Other	-	6,480
<i>Total revenues</i>	<u>-</u>	<u>1,832,900</u>
<i>Expenditures:</i>		
Current		
General government	-	-
Public safety	-	417,355
Economic and physical development	-	117,693
Highways and streets	-	61,005
Health	-	240,855
Culture and recreation	-	120,481
Planning	-	-
Capital outlay	-	148,728
Debt service		
Principal	-	-
Interest and administrative fees	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,106,117</u>
<i>Excess (deficiency) of revenues</i>		
<i> over expenditures</i>	<u>-</u>	<u>726,783</u>
<i>Other financing sources (uses):</i>		
Transfers in	-	-
Transfers out	-	(368,948)
Proceeds from issuance of debt	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(368,948)</u>
<i>Net change in fund balances</i>	-	357,835
<i>Fund balances (deficits) - beginning of year</i>	(17,728)	1,343,791
<i>Restatement prior period</i>		<u>91,345</u>
<i>Fund balances (deficits) - beginning restated</i>	-	1,452,864
<i>Fund balances (deficits) - end of year</i>	<u>\$ (17,728)</u>	<u>\$ 1,792,971</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
CORRECTIONS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Licenses, permits, fees & fines	\$ 5,396	\$ 5,396	\$ 3,952	\$ (1,444)
<i>Total revenues</i>	<u>5,396</u>	<u>5,396</u>	<u>3,952</u>	<u>(1,444)</u>
<i>Expenditures:</i>				
Public safety	<u>5,396</u>	<u>5,396</u>	<u>33,211</u>	<u>(27,815)</u>
<i>Total expenditures</i>	<u>5,396</u>	<u>5,396</u>	<u>33,211</u>	<u>(27,815)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(29,259)</u>	<u>\$ (29,259)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			33,211	
Changes in deferrals			<u>-</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 3,952</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SOLID WASTE GRANT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ 20,535	\$ 20,535	\$ 18,885	\$ (1,650)
Intergovernmental - federal sources	-	14,000	-	(14,000)
<i>Total revenues</i>	<u>20,535</u>	<u>34,535</u>	<u>18,885</u>	<u>(15,650)</u>
<i>Expenditures:</i>				
Health	-	14,000	14,225	(225)
Capital outlay	<u>20,535</u>	<u>20,535</u>	<u>18,885</u>	<u>1,650</u>
<i>Total expenditures</i>	<u>20,535</u>	<u>34,535</u>	<u>33,110</u>	<u>1,425</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(14,225)</u>	<u>\$ (14,225)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			<u>14,225</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
VFA/RFA - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ -	\$ 13,200	\$ 13,200	\$ -
<i>Total revenues</i>	<u>-</u>	<u>13,200</u>	<u>13,200</u>	<u>-</u>
<i>Expenditures:</i>				
Public safety	-	13,200	13,200	-
<i>Total expenditures</i>	<u>-</u>	<u>13,200</u>	<u>13,200</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SAFER GRANT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Federal Grants	\$ 19,467	\$ 31,770	\$ 28,642	\$ (3,128)
<i>Total revenues</i>	<u>19,467</u>	<u>31,770</u>	<u>28,642</u>	<u>(3,128)</u>
<i>Expenditures:</i>				
Public Safety	19,467	31,770	18,484	13,286
<i>Total expenditures</i>	<u>19,467</u>	<u>31,770</u>	<u>18,484</u>	<u>13,286</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>10,158</u>	<u>\$ 10,158</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			459	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 10,617</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
EMERGENCY MEDICAL SERVICES - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State operating grants	\$ 8,822	\$ 8,822	\$ 8,827	\$ 5
Charges for services	-	-	1,155	1,155
<i>Total revenues</i>	<u>8,822</u>	<u>8,822</u>	<u>9,982</u>	<u>1,155</u>
<i>Expenditures:</i>				
Public safety	8,822	8,822	5,067	3,755
<i>Total expenditures</i>	<u>8,822</u>	<u>8,822</u>	<u>5,067</u>	<u>3,755</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>4,915</u>	<u>\$ 4,915</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 4,915</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
WILDLAND FIRES - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ 145,000	\$ 145,000	\$ 155,410	\$ 10,410
<i>Total revenues</i>	<u>145,000</u>	<u>145,000</u>	<u>155,410</u>	<u>10,410</u>
<i>Expenditures:</i>				
Public safety	10,000	10,000	10,642	(642)
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>10,642</u>	<u>(642)</u>
<i>Net change in fund balances</i>	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>144,768</u>	<u>\$ 9,768</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(1,552)	
Changes in deferrals			<u>44,670</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 187,886</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
FIRE PROTECTION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State capital grants	\$ 164,848	\$ 164,848	\$ 164,848	\$ -
<i>Total revenues</i>	<u>164,848</u>	<u>164,848</u>	<u>164,848</u>	<u>-</u>
<i>Expenditures:</i>				
Public safety	103,460	103,460	77,983	25,477
Capital outlay	-	-	100,000	(100,000)
<i>Total expenditures</i>	<u>103,460</u>	<u>103,460</u>	<u>177,983</u>	<u>(74,523)</u>
<i>Other financing sources (uses)</i>				
Transfers out	(61,338)	(61,338)	(61,388)	(50)
<i>Total other financing sources (uses)</i>	<u>(61,338)</u>	<u>(61,338)</u>	<u>(61,388)</u>	<u>(50)</u>
<i>Net change in fund balances</i>	<u>\$ 50</u>	<u>\$ 50</u>	<u>(74,523)</u>	<u>\$ (74,573)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(293)	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (74,816)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
LAW ENFORCEMENT PROTECTION- SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State operating grants	\$ 21,800	\$ 21,800	\$ 21,916	\$ 116
<i>Total revenues</i>	<u>21,800</u>	<u>21,800</u>	<u>21,916</u>	<u>116</u>
<i>Expenditures:</i>				
Public safety	21,800	21,800	761	21,039
<i>Total expenditures</i>	<u>21,800</u>	<u>21,800</u>	<u>761</u>	<u>21,039</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>21,155</u>	<u>\$ 21,155</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(7,725)	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 13,430</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
LODGERS TAX RESERVE- SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 260,000	\$ 260,000	\$ 244,506	\$ (15,494)
<i>Total revenues</i>	<u>260,000</u>	<u>260,000</u>	<u>244,506</u>	<u>(15,494)</u>
<i>Expenditures:</i>				
Economic & physical development	215,600	215,600	118,569	97,031
Culture and recreation	-	-	53,552	(53,552)
<i>Total expenditures</i>	<u>215,600</u>	<u>215,600</u>	<u>172,121</u>	<u>43,479</u>
<i>Other financing sources (uses)</i>				
Transfers out	(40,350)	(44,400)	-	44,400
<i>Total other financing sources (uses)</i>	<u>(40,350)</u>	<u>(44,400)</u>	<u>-</u>	<u>44,400</u>
<i>Net change in fund balances</i>	<u>\$ 4,050</u>	<u>\$ -</u>	<u>72,385</u>	<u>\$ (14,573)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			876	
Changes in deferrals			<u>4,278</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 77,539</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SPORTS AND RECREATION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Charges for services	194,984	194,984	123,566	(71,418)
Contributions and donations	-	-	9,864	9,864
Investment earnings	-	-	50	50
Other	-	-	6,480	6,480
<i>Total revenues</i>	<u>194,984</u>	<u>194,984</u>	<u>139,961</u>	<u>(55,023)</u>
<i>Expenditures:</i>				
Culture and recreation	52,184	52,184	(61,716)	113,900
Capital outlay	-	-	15,343	(15,343)
<i>Total expenditures</i>	<u>52,184</u>	<u>52,184</u>	<u>(46,373)</u>	<u>98,557</u>
<i>Other financing sources (uses)</i>				
Transfers out	(129,760)	(129,760)	(113,678)	16,082
<i>Total other financing sources (uses)</i>	<u>(129,760)</u>	<u>(129,760)</u>	<u>(113,678)</u>	<u>16,082</u>
<i>Net change in fund balances</i>	<u>\$ 13,040</u>	<u>\$ 13,040</u>	<u>72,656</u>	<u>\$ (137,498)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(125,596)	
Changes in deferrals			11,113	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (41,827)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
RETREATS FOR VETERANS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - federal sources	\$ 254,231	\$ 254,231	\$ 175,000	\$ (79,231)
<i>Total revenues</i>	<u>254,231</u>	<u>254,231</u>	<u>175,000</u>	<u>(79,231)</u>
<i>Expenditures:</i>				
Health	254,231	254,231	201,050	53,181
<i>Total expenditures</i>	<u>254,231</u>	<u>254,231</u>	<u>201,050</u>	<u>53,181</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(26,050)</u>	<u>\$ (26,050)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(25,580)	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (51,630)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SHUTER LIBRARY - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ 5,315	\$ 5,315	\$ 1,360	\$ (3,955)
<i>Total revenues</i>	<u>5,315</u>	<u>5,315</u>	<u>1,360</u>	<u>(3,955)</u>
<i>Expenditures:</i>				
Public safety	5,315	5,315	1,359	3,956
<i>Total expenditures</i>	<u>5,315</u>	<u>5,315</u>	<u>1,359</u>	<u>3,956</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 1</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
NM CLEAN & BEAUTIFUL - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ 3,000	\$ 3,000	\$ 4,788	\$ 1,788
Other			300	300
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>5,088</u>	<u>1,788</u>
<i>Expenditures:</i>				
Culture and recreation	<u>3,000</u>	<u>3,000</u>	<u>2,787</u>	<u>213</u>
<i>Total expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>2,787</u>	<u>213</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,301</u>	<u>\$ 2,301</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 2,301</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
MOTOR VEHICLE - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ 56,347	\$ 56,347	\$ 53,964	\$ (2,383)
Investment earnings	-	-	3	3
<i>Total revenues</i>	<u>56,347</u>	<u>56,347</u>	<u>53,967</u>	<u>(2,380)</u>
<i>Expenditures:</i>				
Highways and streets	47,684	48,335	64,595	(16,260)
<i>Total expenditures</i>	<u>47,684</u>	<u>48,335</u>	<u>64,595</u>	<u>(16,260)</u>
<i>Other financing sources (uses)</i>				
Transfers out	-	-	(37,778)	(37,778)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(37,778)</u>	<u>(37,778)</u>
<i>Net change in fund balances</i>	<u>\$ 8,663</u>	<u>\$ 8,012</u>	<u>(48,406)</u>	<u>\$ (23,898)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			3,590	
Changes in deferrals			(824)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (45,640)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMMUNITY CENTER- SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Highways and streets	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			112	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 112</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
EMS DONATIONS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
	-	-	340	(340)
<i>Total expenditures</i>	-	-	340	(340)
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(340)</u>	<u>\$ (340)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (340)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
PUBLIC SAFETY BUILDING- CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 84,099	\$ 84,099	\$ 94,959	\$ 10,860
<i>Total revenues</i>	<u>84,099</u>	<u>84,099</u>	<u>94,959</u>	<u>10,860</u>
<i>Expenditures:</i>				
Capital outlay	84,099	84,099	(7,044)	91,143
<i>Total expenditures</i>	<u>84,099</u>	<u>84,099</u>	<u>(7,044)</u>	<u>91,143</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>102,003</u>	<u>\$ 102,003</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(21,544)	
Changes in deferrals			<u>(2,540)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 77,919</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
CAPITAL PROJECTS - CAPTIAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ -	\$ 6,824	\$ 137,413	\$ 130,589
Investment earnings	-	70,053	-	(70,053)
Other	-	130,000	-	(130,000)
<i>Total revenues</i>	<u>-</u>	<u>206,877</u>	<u>137,413</u>	<u>(69,464)</u>
<i>Expenditures:</i>				
Public safety	-	130,000	134,806	(4,806)
Culture and recreation	-	-	-	
Capital outlay	-	76,877	-	76,877
<i>Total expenditures</i>	<u>-</u>	<u>206,877</u>	<u>134,806</u>	<u>72,071</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,607</u>	<u>\$ (141,535)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(1,617)	
Changes in deferrals			5,189	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 6,179</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
FOREST THINNING- CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental-Federal				
Operating	\$ 152,680	\$ 152,680	\$ 111,264	\$ (41,416)
<i>Total revenues</i>	<u>152,680</u>	<u>152,680</u>	<u>111,264</u>	<u>(41,416)</u>
<i>Expenditures:</i>				
Public safety	152,680	152,680	97,601	55,079
<i>Total expenditures</i>	<u>152,680</u>	<u>152,680</u>	<u>97,601</u>	<u>55,079</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>13,663</u>	<u>\$ 13,663</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(459)	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 13,204</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
WILDLAND URBAN INTERFACE - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - federal sources	\$ 48,276	\$ 48,276	\$ 47,078	\$ (1,198)
<i>Total revenues</i>	<u>48,276</u>	<u>48,276</u>	<u>47,078</u>	<u>(1,198)</u>
<i>Expenditures:</i>				
Public safety	48,276	48,276	45,925	2,351
<i>Total expenditures</i>	<u>48,276</u>	<u>48,276</u>	<u>45,925</u>	<u>2,351</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>1,153</u>	<u>\$ 1,153</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 1,153</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
GRT ROAD PROJECT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - federal sources	\$ -	\$ -	\$ 28,729	\$ 28,729
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>28,729</u>	<u>28,729</u>
<i>Expenditures:</i>				
Public safety	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>28,729</u>	<u>\$ 28,729</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			<u>(28,729)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
HWY 434 ASSESSMENT -CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Special Assessments	\$ 221,000	\$ 221,000	\$ 154,765	\$ (66,235)
<i>Total revenues</i>	<u>221,000</u>	<u>221,000</u>	<u>154,765</u>	<u>(66,235)</u>
<i>Expenditures:</i>				
Highways and streets	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>221,000</u>	<u>221,000</u>	<u>154,765</u>	<u>(66,235)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(211,991)	(209,946)	(156,104)	53,842
<i>Total other financing sources (uses)</i>	<u>(211,991)</u>	<u>(209,946)</u>	<u>(156,104)</u>	<u>53,842</u>
<i>Net change in fund balances</i>	<u>\$ 9,009</u>	<u>\$ 11,054</u>	<u>(1,339)</u>	<u>\$ (12,393)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			13,451	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 12,112</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
DEBT SERVICE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 48,251	\$ 48,251	\$ 52,532	\$ 4,281
Investment earnings	-	-	1,021	1,021
Other	1,272,234	1,272,234	2,255	(1,269,979)
<i>Total revenues</i>	<u>1,320,485</u>	<u>1,320,485</u>	<u>55,808</u>	<u>(1,264,677)</u>
<i>Expenditures:</i>				
Debt Service				
Principal	774,296	774,296	486,121	288,175
Interest and administrative fees	565,018	561,893	431,004	130,889
Other	1,272,234	1,272,234		
<i>Total expenditures</i>	<u>2,611,548</u>	<u>2,608,423</u>	<u>917,125</u>	<u>419,064</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,291,063)</u>	<u>(1,287,938)</u>	<u>(861,317)</u>	<u>426,621</u>
<i>Other financing sources (uses):</i>				
Proceeds from issuance of debt	1,291,189	1,291,189	-	(1,291,189)
Transfers in	-	-	949,240	949,240
<i>Total other financing sources (uses)</i>	<u>1,291,189</u>	<u>1,291,189</u>	<u>949,240</u>	<u>(341,949)</u>
<i>Net change in fund balances</i>	<u>\$ 126</u>	<u>\$ 3,251</u>	<u>87,923</u>	<u>\$ 84,672</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(10,060)	
Changes in deferrals			910	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 78,773</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
WASTEWATER - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and Services	\$ 450,000	\$ 450,000	\$ 400,411	\$ (49,589)
Other	52,500	52,500	-	(52,500)
<i>Total revenues</i>	<u>502,500</u>	<u>502,500</u>	<u>400,411</u>	<u>(102,089)</u>
<i>Expenses:</i>				
Operating expenses	391,052	391,704	612,462	(220,758)
<i>Total expenditures</i>	<u>391,052</u>	<u>391,704</u>	<u>612,462</u>	<u>(220,758)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in				
Transfers Out	(408,854)	(201,678)	(1,875)	(199,803)
Interest	-	-	(250,463)	250,463
<i>Total Other Financing Sources</i>	<u>(408,854)</u>	<u>(201,678)</u>	<u>(252,338)</u>	<u>50,660</u>
<i>Net change in fund balances</i>	<u>\$ (297,406)</u>	<u>\$ (90,882)</u>	<u>\$ (464,389)</u>	<u>\$ 169,329</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SOLID WASTE - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Sales and Services	\$ 875,000	\$ 875,000	\$ 861,375	\$ (13,625)
Other	40,544	40,544	46,845	6,301
<i>Total revenues</i>	<u>915,544</u>	<u>915,544</u>	<u>908,220</u>	<u>(7,324)</u>
<i>Expenses:</i>				
Operating expenses	<u>670,663</u>	<u>672,632</u>	<u>778,985</u>	<u>(106,353)</u>
<i>Total expenses</i>	<u>670,663</u>	<u>672,632</u>	<u>778,985</u>	<u>(106,353)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in	-	-	30,824	30,824
Transfers Out	(215,168)	(201,678)	-	201,678
Interest	-	-	(43,024)	(43,024)
<i>Total Other Financing Sources</i>	<u>(215,168)</u>	<u>(201,678)</u>	<u>(12,200)</u>	<u>189,478</u>
<i>Net change in fund balances</i>	<u>\$ 29,713</u>	<u>\$ 41,234</u>	<u>\$ 117,035</u>	<u>\$ 75,801</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
WATER - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and services	\$ 1,150,000	\$ 1,150,000	\$ 1,052,493	\$ (97,507)
Other	117,750	117,750	3,250	(114,500)
<i>Total revenues</i>	<u>1,267,750</u>	<u>1,267,750</u>	<u>1,055,743</u>	<u>(212,007)</u>
<i>Expenses:</i>				
Operating expenses	983,989	990,079	1,001,165	(11,086)
<i>Total expenses</i>	<u>983,989</u>	<u>990,079</u>	<u>1,001,165</u>	<u>(11,086)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in				
Transfers Out	(75,588)		(57,397)	(57,397)
Interest	-	-	(41)	(41)
<i>Total Other Financing Sources</i>	<u>(75,588)</u>	<u>-</u>	<u>(57,438)</u>	<u>(57,438)</u>
<i>Net change in fund balances</i>	<u>\$ 208,173</u>	<u>\$ 277,671</u>	<u>\$ (2,860)</u>	<u>\$ (258,359)</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	Balance June 30, 2012	Prior Period Adjustment	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
ASSETS						
Cash	\$ 35,555	\$ (13,419)	\$ 22,136	\$ -	\$ (8,618)	\$ 13,518
Accounts Receivable	10,112	(10,112)	_____	_____	_____	_____
<i>Total assets</i>	<u>\$ 45,667</u>	<u>\$ (23,531)</u>	<u>\$ 22,136</u>	<u>\$ -</u>	<u>\$ (8,618)</u>	<u>\$ 13,518</u>
LIABILITIES						
Amounts payable to others (for release bonds)	\$ 8,307	\$ (8,307)	\$ -	\$ 22,136	\$ (13,609)	\$ 8,527
Due to other funds	37,360	(15,224)	22,136	4,991	(22,136)	4,991
<i>Total liabilities</i>	<u>\$ 45,667</u>	<u>\$ (23,531)</u>	<u>\$ 22,136</u>	<u>\$ 27,127</u>	<u>\$ (35,745)</u>	<u>\$ 13,518</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF CASH AND TEMPORARY INVESTMENTS ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

Deposits in International Bank:	Balance
Operating Account - Checking	\$ 349,163
Enterprise Account - Checking	67,772
AF Municipal Court - Checking	4,754
Court Bond Account - Checking	8,527
Payroll - Clearing	8,841
Motor Vehicle Department - Checking	5,246
State EMS Fund - Checking	15,478
State Fire Protection Fund - Checking	44,875
Law Enforcement Protection Fund - Checking	10,463
Lodgers Tax - Checking	80,658
Sports and Recreation Facility Fee - Checking	5,249
Public Safety Building - Checking	817
Debt Service Account - Checking	49,282
434 Infrastructure Construction Project - Checking	11
Ems CPR Classes - Checking	2,042
Capital Projects - Checking	1,995
Total bank balance	<u>655,173</u>
Reconciling items:	
Outstanding checks	(152,268)
Deposits in transit	87,796
Other adjustments	(5,122)
Total adjustments	<u>(69,594)</u>
Total book balance	585,579
Petty cash fund	275
Investment Accounts:	
Office of State Treasurer - LGIP	1,393
New Mexico Finance Authority - Debt Service Cash Reserves	648,476
Total Investment accounts	<u>649,869</u>
Reconciling items:	
Outstanding checks	(152,268)
Deposits in transit	87,796
Other adjustments	(5,122)
Total adjustments	<u>(69,594)</u>
Total book balance	585,579
Petty cash fund	275
Investment Accounts:	
Office of State Treasurer - LGIP	1,393
New Mexico Finance Authority - Debt Service Cash Reserves	648,476
Total Investment accounts	<u>649,869</u>
Total Deposit and Investment Accounts	<u>\$ 1,235,723</u>

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

Total amount of deposits in bank:	NMFA	First National Bank of NM	International Bank	Total
Non Interest Bearing Demand Deposits				
Enterprise Account - Checking	\$ -	67,772		67,772
AF Municipal Court - Checking	-	-	4,754	4,754
Court Bond Account - Checking	-	-	8,527	8,527
Payroll - Clearing	-	-	8,841	8,841
State EMS Fund - Checking	-	-	15,478	15,478
State Fire Protection Fund - Checking	-	-	44,875	44,875
Law Enforcement Protection Fund - Checking	-	-	10,463	10,463
Lodgers Tax - Checking	-	-	80,658	80,658
Public Safety Building - Checking	-	-	817	817
Debt Service Account - Checking	-	-	49,282	49,282
434 Infrastructure Construction Project - Checking	-	-	11	11
Ems CPR Classes - Checking	-	-	2,042	2,042
Total Deposits	-	67,772	225,748	293,520
Less FDIC Insurance				(293,520)
Uninsured Interest Bearing Accounts				-
Interest Bearing Demand Deposits				
Operating Account - Checking	-	-	349,163	349,163
Motor Vehicle Department - Checking	-	-	5,246	5,246
Sports and Recreation Facility Fee - Checking	-	-	5,249	5,249
	-	-	359,658	359,658
Less FDIC Insurance				(250,000)
Uninsured Interest Bearing Accounts				109,658
Uninsured NMFA Capital Projects - Checking	\$ 1,995	-	-	1,995
Total Uninsured				111,653
Pledged Collateral Required				
50% Collateralization				55,827
Total Required Collateralization				55,827
Pledged Collateral at June 30, 2012				312,560
Excess (deficiency)				256,734
Pledged securities:				
FHLB NON CBL CUSIP #3133XKTV7				109,460
FHLB NON CBL CUSIP #313370JS8				203,100
Total pledged securities				\$ 312,560

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF JOINT POWERS AGREEMENT
FOR THE YEAR ENDED JUNE 30, 2012

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	Joint Responsibility	Procurement of commercial commuter airline services
Collaboration Forest Restoration Program	Taos Pueblo Rocky Mountain Youth Corps Notional Renewable Energy, LLC H.R. Vigil Small Products Urban Interface Solutions Amigos del Bosque LLC Village of Angel Fire	Joint Responsibility	Work on three projects that have an affect on the Taos Canyon and Angel Fire landscape
Dispatch Services	Village of Angel Fire Red River	Town of Red River	To provided 911 emergency and non-emergency dispatching services for Angel Fire

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF JOINT POWERS AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 3

<u>Beginning and Ending Dates</u>	<u>Total estimated Project Amount and Amount Applicable to Village</u>	<u>Amount Contributed by Village during Fiscal year</u>	<u>Audit Responsibility</u>	<u>Fiscal agent and responsible reporting entity</u>
12/19/2001 or until terminated	\$150 annually	\$150	Town of Taos	Town of Taos
7/7/2009 to 6/30/2015	None	None	Town of Red River	Town of Taos
10/21/2003 ongoing until terminated	None	None	New Mexico Energy, Minerals & Natural Resources Deptment	New Mexico Energy, Minerals & Natural Resources Deptment
3/20/2001 or until terminated	None	None	Village of Angel Fire	Colfax County
Fiscal year 2003 with automatic renewal if funds are available	None	None	Village of Angel Fire	Colfax County
3/3/2009 or until completed	None	None	Taos Pueblo	Taos Pueblo
7/01/2001 or until terminated	\$50,000 Annually (four payments of \$12,500 each quarter)	\$50,000	Town of Red River	Town of Red River

**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**

To Hector H. Balderas
New Mexico State Auditor and
Village of Angel Fire Council
Village of Angel Fire
Angel Fire, New Mexico

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 of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Village of Angel Fire, New Mexico (the Village) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 06, 2014. 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

Management of the Village is responsible for establishing and maintaining effective 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 auditing 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 was not designed to 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 a 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 2009-006, 2009-008, and 2012-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a 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 accompany schedule of findings and responses as items 2003-004, 2003-009, 2003-014, 2007-002, 2007-003, 2007-004, 2008-002, 2009-001, 2009-007, 2011-001, 2011-002, 2011-004, 2012-003, and 2012-004 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 which are described in the accompanying schedule of findings and responses as items 2003-006, 2005-003, 2005-004, 2009-001, and 2012-001.

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16, and section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as items 2003-001, 2004-003, and 2011-003.

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

This report is intended solely for the information and use of management, the Village Council, others within the entity, the New Mexico Department of Finance and Administration, the State Auditor, 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



Albuquerque, New Mexico
October 06, 2014

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

2003-001 DUE DATE OF AUDIT REPORT (Other Matter)

Conditions: The June 30, 2012 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, 2012 report to be filed by December 3, 2012.

Effect: The Village is in violation of State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2012. This issue may result in not having accurate financial information for budget preparation or other financial projections. Also, it causes the Village to be placed on the State of New Mexico's "At-Risk Listing" and it may impact funding received from the State. Additionally, this issue may limit the borrowing ability of the Village precluding it from finishing undertaken projects.

Cause: The books and records were not reconciled until after the due date. In addition, due to turnover and staff in the Village prior to that time period they were behind on several years of audits and the prior audit was not completed until after the due date for the fiscal year 2012 audit report.

Recommendation: The Village should implement accounting policies and procedures that would enable personnel to reconcile the general ledger and prepare for the audit in a timely manner.

Management's Response: The Village has begun reconciliation of current year account activity, and procedures will be written, or updated in the current year to guide and reinforce all aspects of the general ledger process, to include timely reconciliation of general ledger accounts.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2003-004 INADEQUATE SEGREGATION OF DUTIES (Significant Deficiency)

Conditions: As part of our documentation of the internal controls during the year at the Village we noted that although certain functions have been segregated within the finance department, the same person responsible for reconciling the bank account and making adjusting journal entries is still capable of preparing checks, posting checks, and mailing checks. This person has unrestricted access to the accounting system, check stock and cash receipt ledgers.

Criteria: Segregation of duties is a necessary attribute to safeguard an entity's assets. Section 6-5-2 C NMSA, 1978 states: Entities shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

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

Cause: The Village did implement procedures and policies to separate certain functions within the finance department; however, no procedures or controls were implemented to restrict the access of the person who prepares the bank reconciliation to other key functions within the finance department.

Recommendation: The Village should implement controls that restrict this person access to or underlying capability to perform certain functions that are incompatible from a segregation of duties viewpoint with their current job duties. If the Village needs to have the capability to perform those functions for back up or for emergency purposes, the Village should consider using an individual from outside of the finance department for that purpose.

Management's Response: The Village is in the process of tightening internal controls. At present bank statements are reconciled by an employee without access to check stock and limited access to the cash receipt and accounts payable modules, including the ability to post in those modules. At that point in time, the Accounts Payable function was completed by the Financial Specialist, with the Utility Clerk serving as the backup as necessary. Those two individuals were, and continue to be the only ones with keys to the drawer or cabinet storing Accounts Payable checks. The preparation of bank reconciliations was completed by the Finance Director or outside parties.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2003-006 BUDGET OVERAGES (Non-compliance)

Condition: During our analysis of budget to actual reports for the year ended June 30, 2012, we noted the expenditures in the following funds exceeded the budgeted amounts:

General Fund	\$ (137,983)
Corrections Fund	(27,815)
Wildland Fires Fund	(642)
Fire Protection Fund	(74,573)
EMS Donations Fund	(340)
Motor Vehicle Fund	(16,260)
WasteWater Fund	(220,758)
Solid Waste Fund	(106,353)
Water Fund	(11,086)
Total Budget Overages	<u>\$ (595,810)</u>

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.

Effect: The Village is in violation of State Statute 6-6-6 NMSA 1978 from NB 565.

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

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

Management’s Response: The Village’s Finance Department has implemented controls to avoid budget overages in the future. When a department submits a Purchase Requisition, or voucher, the Finance Specialist - or another employee within the Finance Department in the absence of the Finance Specialist - verifies the correct line item general ledger coding and verifies the amount is within the department’s budget.

Each department is given copies of their financial statements on a monthly basis. On a quarterly basis, departments are responsible for the preparation of budget adjustments within their budget without increasing their total approved budget. For future fiscal years this procedure should keep budgets in line with actual expenditures.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2003-009 UTILITY ACCOUNTS RECEIVABLE (Significant Deficiency)

Condition: The Village has no formal written procedure in place for approving utility billing account adjustments before an adjustment is made to accounts receivable.

Criteria: The *Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

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

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.

Recommendation: We recommend the Village establish a written 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 will develop written procedures relative to the accounts receivable adjustment process as well as the reconciliation of unapplied utility credit general ledger accounts.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2003-014 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: The *Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

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

Cause: Lack or failure of controls over the deposit record keeping and lack of proper training on identifying accounting issues.

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: An employee from the Planning and Zoning Department has developed and is currently maintaining a spreadsheet substantiating the balance in the building deposit account. In addition, the deposits will be added to a field within the system to enhance reporting.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2004-003 TRAVEL AND PER DIEM DISBURSEMENTS (Other Matter)

Condition: During test work over per diem disbursements, we noted following:

- One out of ten disbursements tested, in the amount of \$276.80, did not include a supervisor or department head approval;
- One out ten disbursements tested, in the amount \$85.00, the employee did not sign the “Advance Travel Voucher” form;
- One out ten disbursements tested, in the amount of \$255.00, the Village could not locate supporting documents; and
- The Village did not reimburse employees for travel cost at the correct mileage reimbursement rate for 9 travel and per diem reimbursements out of 10 tested.

Criteria: In accordance with NMAC Mileage and Per Diem Act Section 2.42.2.10 A. Authorizations – proper authorizations is required when expending public funds for travel related cost. In accordance with NMAC Mileage and Per Diem Act Section 2.42.2.10 C. Agency records – each agency is responsible for maintaining records of travel advances authorized by the agency head or designee. Pursuant to New Mexico Administrative Code (NMAC) 2.42.2 11 B. (1) (Department of Finance and Administration (DFA) regulations governing the per diem and mileage act) the approved reimbursement rate is the Internal Revenue Service (IRS) standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle. The IRS mileage rate effective in 2010 (which was the previous year for the first half of FY12) was 50 cents per mile. During this period, the Village reimbursed its employees at the 55 cents per mile instead of the approved IRS rate of 50 cents per mile. During the second half of FY12, the IRS mileage rate in 2011 (previous year) was 51 cents. During this period, the Village reimbursed its employees at the 55 cents per mile instead of the approved IRS rate of 50 cents per mile.

Effect: The Village was not in compliance with the NMAC Travel and Mileage Act.

Cause: The Village financial department did not ensure that proper signatures were obtained prior to processing two travel and per diem disbursements. In one instance, the department head had an employee under her supervision sign and approve the travel form since the department head’s supervisor was out of the office. During FY09, the Village council passed Resolution 2009-19 which adopted DFA regulation NMAC 2.42.2.11 B (1); however, Village personnel were aware that the mileage reimbursement rate was subject to change by the IRS on January 1st of each year.

Recommendation: We recommend that the Village establish written policies and procedures to comply with statutory requirements with NMAC Mileage and Per Diem Act. We also recommend that when a department head or supervisor is not available to approve an employee’s travel that the supervisor’s designee approval be obtained.

Management’s Response: The Village will establish procedures to comply with statutory requirements with NMAC Mileage and Per Diem Act. Necessary approvals will be addressed within the procedures.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2005-003 ANNUAL CAPITAL ASSET INVENTORY (Non-compliance)

Condition: During the year ended June 30, 2012 the Village's capital asset listing was not kept current in accordance with Section 12-6-10, NMSA 1978. An adequate physical inventory has not been completed within the last three years.

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

Effect: The Village may not have the accurate fixed asset inventory count. Not taking a physical inventory count may lead to asset misappropriation.

Cause: The Village lacked awareness of the State requirements.

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

Management's Response: Procedures will be written to ensure an annual physical capital asset inventory is taken and any necessary accounting adjustments posted.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2005-004 UNBILLED WATER RECEIVABLE (Non-compliance)

Condition: The Village does not have a process to track water delivered to customers but not billed as of month-end. The date between a customer's meter reading and the date the billing is processed ranges from one 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.

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.

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

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

Management's Response: The Village Manager has begun billing cycle enhancements to include timely billing.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2007-002 UNLOCATED ACCOUNTING RECORDS (Significant Deficiency)

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

- During our testwork over recorded unrecorded liabilities, for 3 out of 135 transactions tested, the Village was unable to provide supporting documentation.
- During our testwork over journal entries, for 3 out of 10 transactions tested, the Village was unable to provide supporting documentation for the journal entry.
- During our testwork over unrecorded receivables, for one out of 68 tested, the Village was unable to provide supporting documentation for the transaction which was a Journal entry.

Criteria: State Auditor Rule 2.2.2.8.2 and Section 12-6-5 NMSA 1978 require good accounting practices to be followed and adequate accounting records to be maintained.

Effect: The Village's improper upkeep of supporting documentation can cause alterations to the accounting records and lead to financial information being materially inaccurate.

Cause: The Village lacked internal controls over record keeping as prescribed by the State Auditor Rule.

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

Management's Response: Procedures will be written to ensure records and documentation is adequately maintained to support balances per accounting records.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2007-003 JOURNAL ENTRY (JE) PROCESS (Significant Deficiency)

Condition: It was noted during our discussions with Village personnel in regards to the JE process that although the Village only granted the Finance Director authorization for making and posting adjusting journal entries, the staff in the finance department still had access in the accounting software to make general ledger adjustments.

Criteria: Good internal controls require that access to posting journal entries be limited to personnel not involved in the processing of accounts payable, cash receipts, payroll, and other financial functions.

Effect: Access to posting journal entries by financial staff weakens internal controls by giving an individual who perpetuates a fraud the ability to cover the accounting trail with a journal entry.

Cause: Although the Village authorized only the finance director to post journal entries, no system controls were implemented in the accounting software system to prevent other finance staff from access to posting journal entries.

Recommendation: We recommend the Village implement policies and procedures to ensure that access privileges to posting JE is limited to the Finance Director.

Management's Response: The Village will evaluate the risk relative to the posting of journal entries and determine posting privileges to be given to Finance staff.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2007-004 INADEQUATE ACCOUNTING RECORDS (Significant Deficiency)

Condition: During our test work over credit card transactions, 3 out of 3 disbursements tested totaling \$431 had no identifications of a review or approval prior to disbursement.

Criteria: Per Section 6-6-3 NMSA 1978 every local public body shall: keep all the books, records and accounts in their respective offices in the form prescribed by the local government division; make all reports as may be required by the local government division; and conform to the rules and regulations adopted by the local government division. Also, good internal controls and sound business practice require that the Village develop policies and procedures for internal controls over disbursements.

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

Cause: The Village Finance Director indicated that she reviews the credit card reconciliation form but that she does not document this control step with her signature on the form.

Recommendation: We recommend the Village establish proper review and approval processes for all credit card financial transactions and that Village ensure that there is documented evidence of the control step being performed.

Management's Response: The Village will review credit card transaction approval procedures and formalize a procedure to ensure the necessary approvals are attained.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2008-002 TIMELINESS OF DUE TO/DUE FROM REVERSALS (Significant Deficiency)

Condition: Some Interfund transfers on the Village remained unchanged from FY 2011 to FY 2012.

Criteria: Good accounting practices require entities to 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.

Effect: The Village is not maintaining adequate controls over the timeliness of due to/due from reversals and increases the risk of misappropriation of assets or liabilities.

Cause: The Village lacked management oversight and there is a lack of familiarity with the model of accounting practices requirements.

Recommendation: We recommend the Village properly train its accounting personnel on the requirements of accounting practices, especially in regards to due to/due from and accruals/deferrals.

Management's Response: Management is aware of deficiencies in the accounting for interfund transactions as well as period end accrual and deferral entries and will be addressing training issues as necessary.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2009-001 UNBUDGETED ACTIVITY (Significant Deficiency & Non-compliance)

Condition: The Village did not budget for the EMS Donations fund that had activity in FY 2012.

Criteria: Section 6-6-1, NMSA 1978 requires the establishment of an official operating budget.

Effect: The Village is in violation of section 6-6-1 of NMSA 1978.

Cause: The Village lacked controls surrounding the budgeting process.

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

Management's Response: The Village will establish budgets and monitor activity for all funds per Section 6-6-1 of NMSA 1978 in the future.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2009-006 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 has several deficit fund balances

Criteria: Per SAO Rule 2.2.2.8 J (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.

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

Cause: The Village lacked adequate staffing in the accounting and finance departments.

Recommendation: We recommend the Village implements policies and procedures that would require; reconciliations be performed and reviewed throughout the year, findings be addressed and corrected, and an adequate control environment be established.

Management's Response: The Village is committed to staffing the Finance Department with the necessary number of appropriately trained staff. Management recognizes that time devoted to catching up on prior year audits results in deficiencies in current year reconciling, procedure documentation, and training and is committed to resolving the backlog and staffing issues within Finance.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2009-007 ACCOUNTING FOR STATE GRANTS (Significant Deficiency)

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

- The Village was not accurately accounting for the grants.
- The Village was not aware of the requirements of the grants or the total award amounts.

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

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.

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

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: Management recently assigned the accounting for the Village grants to a seasoned employee with prior grant accounting experience. Department heads are working closely with the grant accountant to improve results in the accounting for grants.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2009-008 SAS-115 – INEFFECTIVE OVERSIGHT OF THE FINANCIAL REPORTING AND INTERNAL CONTROLS (Material Weaknesses)

Condition: While conducting our audit for fiscal year 2012, we noted the Village did not prepare quarterly reports and month end account reconciliations in a timely manner, and year-end financial schedules in accordance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) Statements. In addition, several 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.

Criteria: Per Statement of Auditing Standard (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.

Effect: The Village may not have timely and accurate financial information to make informed financial decisions. 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 experience personnel that is able to properly apply GAAP and GASB year-end financial statements.

Cause: The Village lacks sufficient qualified accounting personnel and experience to provide accurate and reliable financial information.

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. We also recommend that the Village ensure that it has qualified and trained personal on staff to prepare timely and accurate quarterly reports and year-end financial statements in accordance with GAAP and GASB.

Management's Response: The Village management is aware of the deficiency in internal controls and knowledge relative to financial statement and quarter end reporting and is committed to staffing the Finance Department with the necessary number of appropriately trained staff.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2011-001 INTERNAL CONTROL OVER CASH DISBURSEMENTS (Significant Deficiency)

Condition: During our testwork of cash disbursements we noted the following:

- In 20 disbursements out of 41 tested, we noted that there was no evidence that the voucher was initialed indicating that the vendor invoice was matched or checked against the Purchase Order prior to payment.
- In 16 disbursements out of 41 tested, we noted that either no purchase order was created or there was no evidence that voucher was approved by an authorized signer.

Criteria: According to the Village's Purchasing Policies, a purchase requisition and purchase order must be issued for all non-routine and non-recurring purchases. The Village is required to implement written policies and procedures for purchasing which shall be in compliance with the procurement Code, Section 12-1-21 et seq., NMSA 1978.

Effect: When purchases are made without proper authorization, items could be procured that are inappropriate and/or unallowed and the risk of misappropriation is increased.

Cause: The controls over the vouchers, purchase orders, and invoices operated differently throughout the year due to personnel changes at the Village and due to the implementation of new purchasing processes that were initiated by the new Finance Director.

Recommendation: We recommend all Requisition/Purchase Orders be completed and authorized for all purchases regardless of amount. We also recommend the Village train employees on the purchasing procedure and implement new procedures to properly review and approve expenditures.

Management's Response: : Management will review the Procurement Code, Section 12-1-21 et seq., NMSA 1978, change Village procedures as necessary, and implement and train staff according to the revised purchasing procedure.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2011-002 BANK RECONCILIATION (Significant Deficiency)

Condition: Bank reconciliations were not being reviewed by someone independent of the bank reconciliation process during the year.

Criteria: Section 6-6-3 NMSA, 1978 discusses the need for the Village to keep all the books, records and accounts in their respective office in the form prescribed by the local government division and conform to the rules and regulations adopted by the local government division. Good accounting practices require that bank reconciliations be performed monthly to ensure that cash receipts and cash disbursements are recorded in a correct and timely manner and that differences or errors be followed up and corrected in a timely manner.

Effect: Bank reconciliations and general ledger balances may be incomplete or erroneous. The lack of timely reconciliation of cash to the general ledger, and not recording checks until they clear the bank, caused the financial statements to be incorrect. In addition, asset misappropriation may go unnoticed.

Cause: The Village of Angel Fire did not make the necessary reconciliation during the fiscal year ended June 30, 2012. It appears that a large volume of cash activity with low staffing levels in the Accounting Department may be the cause.

Recommendation: The Village should establish and implement procedures to ensure general ledger cash balances are regularly reconciled to corresponding bank balances. Any unreconciled differences identified through this process should be investigated and resolved on a timely basis. We recommend that a supervisor review and approve all bank reconciliations. Staffing levels should be increased to ensure that bank reconciliations are performed in a timely manner and that adjustments are posted accurately and efficiently.

Management's Response: Management has become aware of how critical the bank reconciliation process is to the Village's overall accounting function. Procedures will be put in place to ensure bank statement reconciliations are prepared promptly and outstanding items are researched and resolved in a timely manner, and appropriate oversight is present.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2011-003 VIOLATION OF OPEN MEETING ACT (Other Matter)

Condition: While reviewing the Village’s Council minutes, we noted three instances where the minutes were not approved at the next scheduled meeting that was at least more than 10 days from the prior meeting.

Criteria: The Open Meetings Act (OMA), specifically Section 10-15-1G NMSA 1978, requires that the board, commission or other policymaking body shall keep written minutes of all its meeting. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Approval of past minutes should always appear as an agenda items for all regular meeting of the board of trustees.

Effect: Noncompliance with the New Mexico State Statutes could subject officials and employees to penalties and fines. The actions of the Village’s Council are not fully transparent to the public. The Village’s Council minutes are also not readily available for public inspection when not prepared.

Cause: The Village Council is not in compliance with New Mexico state statutes and requirements of Open Meeting Act for preparation and approval of minutes.

Recommendation: We recommend the Village implement administrative procedures to ensure compliance with New Mexico State Statutes. Furthermore, we recommend the Village’s Attorney provide training to the Village’s Council of Trustees and staff concerning the requirements of the Open Meetings Act.

Management’s Response: Turnover resulted in the Town Clerk (former Village Finance Director) being temporarily reassigned to the Finance Department in an emergency status, thereby resulting in minutes not being timely prepared. Management notes that this was an exception, rather than the rule, and minutes have been timely submitted since that occurrence.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2011-004 DFA BUDGET VARIATION IN ACCOUNTING RECORDS (Significant Deficiency)

Condition: During our audit process we noted that while the Village has an approved budget by the Department of Finance and Administration (DFA), the approved budget was different from the budgetary details maintained in the accounting system.

Criteria: Per Section 6-6-3 NMSA 1978, every local public body shall:

- Keep all the books, records and accounts in their respective offices in the form prescribed by the local government division.
- Make all reports as may be required by the local government division.
- Conform to the rules and regulations adopted by the local government division.

Effect: As a result, the Village is in non-compliance with New Mexico state law, and the control established by the use of budget has been compromised. Continued variation of budget balances may lead to inappropriate funding of the Village.

Cause: The Village was unable to make the appropriate budgetary adjustments to reconcile budget accurately.

Recommendation: We recommend that the Village establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management's Response: The budget review process will be examined and appropriate procedures will be developed to ensure the Village complies with the requirements of Section 6-6-3 NMSA 1978.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2012-001 CAPITAL ASSETS DISPOSAL NOTIFICATION (Other Matter)

Condition: During our audit process we noted that while the Village did not notify the Office of the State Auditor regarding the proposed disposal of capital assets.

Criteria: Pursuant to Section 13-6-1 through 13-6-5 NMSA 1978, every local public body must notify the State Auditor about the proposed disposition of property and the method of disposition permitted under New Mexico law as follows:

- The Village must notify the State Auditor if it is going to dispose of tangible personal property on the Village's capital asset listing. If the item(s) to be disposed of are not on the Village's capital asset list (because they did not meet the capitalization threshold at the time they were purchased) then the Village should follow their internal policies and procedures with regard to disposing of those items.
- The Village can donate used equipment to governments in New Mexico.
- Section 2.2.2.10(T) New Mexico Administrative Code (NMAC) requires that any agencies and local governments disposing of any digital equipment with storage capabilities should take care to properly erase stored data prior to the intended disposition. Agencies must certify in writing the proper erasure or destruction of the hard drive and submit the written certification to the State Auditor at least 30 days prior to taking action to dispose of the asset.
- Make all reports as may be required by the State Auditor including; copy of board minutes showing that the governing board approved the disposition; the method by which the Village intends to dispose of the property; written certifications; and a list of the items to be disposed of.

Effect: As a result, the Village is in non-compliance with New Mexico state law and New Mexico Administrative Code.

Cause: Village personnel were not aware of this state requirement.

Recommendation: We recommend that the Village establish written policies and procedures to comply with statutory requirements for the disposal of capital assets.

Management's Response: Management will develop written policies and procedures to comply with statutory requirements for the disposal of capital assets.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2012-002 PRIOR PERIOD ADJUSTMENTS OVER FINANCIAL REPORTING (Material Weakness)

Condition: The Village's internal control structure over Financial Reporting is inadequate. Several prior period adjustments were required to correct the Village's June 30, 2011 ending financial account balances for capital assets, accounts payable, cash, accumulated depreciation. The Village did not maintain proper oversight or monitoring in regards to financial accounting activities and did not take the proper measures to monitor and mitigate fraud risk, misappropriations of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- Disposals of capital assets were not reviewed by management and entered into the capital assets sub-ledger by accounting personnel in a timely fashion. During the FY12 audit, management decreased capital assets by \$9,435,833 for activity that occurred in prior years;
- Year-end cut-off procedures were inadequate to identify outstanding accounts payables for financial reporting purposes. During the audit we identify an additional \$494,854 in accounts payable that pertained to prior year activities. A significant portion of the unrecorded accounts payable in prior years pertained to the under recording of insurance premiums owed to the State of New Mexico that are in arrears for multiple years;
- Cash accounts were not reconciled timely during the year and an prior period adjustment of \$341,890 (increase) was made to correct prior year ending balance;
- The Village's accumulated depreciation balance was decreased by \$35,146 to reverse the prior year recording of accumulated depreciation on the Village's water rights which is a non-depreciable asset.
- The Village's inventory balance was increase by \$99,238 to record general fund and wastewater fund inventories outstanding at the end of FY11; and
- The Village's ambulance accounts receivable balance was increased by \$12,618 to record additional ambulance accounts receivable that were outstanding at the end of FY11.

Criteria: NMSA 6-5-2 C states Entities shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Good internal controls include the monitoring and oversight of capital assets through the use of periodic physical inventories (required every years for local governments per section 12-6-10 NMSA, 1978), proper year-end cut off procedures for the accurate capture of outstanding accounts payables, and the timely preparation and review of bank reconciliations.

Effect: Adequate internal controls are not in place to properly safeguard assets and prevent or detect material misstatements in the Village's financial statements due to errors or fraud.

Cause: The Village over the past few years has been allocating staff resources to getting its financial records current. The process of trying to catch up prior year financial records and maintain current operations have affected the timeliness and accuracy of some financial information.

Recommendation: The Village should ensure that a comprehensive internal control structure over financial information pertaining to recording and tracking of capital assets, accounts payable, inventory, and ambulance accounts receivable is designed, documented and implemented.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

Management's Response: Management is aware of the deficiencies in internal control and trained staff which has resulted in financial statement errors and omitted transactions as detailed. Management is making it a top priority to staff the Finance Department with the appropriate number of adequately trained staff.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2012-003 UPDATED POLICY AND PROCEDURE MANUALS (Significant Deficiency)

Condition: The Village does not have current or updated written and approved policy and procedure manual over several of the main financial operational areas such as accounting, accounts payable and payroll. They do not include internal control written policies and procedures that address key internal control areas such as segregation of duties, transaction approvals and reviews, and account reconciliations.

Criteria: NMSA 6-5-2 C states that Entities shall implement internal controls designed to prevent accounting errors and violations of state and federal laws and rules relating to financial matters. Approved written policy and procedure manuals are a key element in an entity's internal accounting controls system.

Effect: The accuracy and reliability of Village's financial information and compliance with state and federal laws is more at risk.

Cause: During the year the Village has experienced personnel changes and some changes in financial procedures and the focus of staffing resources have been to getting the Village's records up to-date.

Recommendation: The development of written policies and procedures can be very timely and can take up a significant amount of limited staff time and resources. The Village should consider trying to reach out to similar local governments with similar operations and request copies of their accounting, accounts payment, procurement, and payroll policy and procedure manuals and then modify and tailor them to meet the operations of the Village.

Management's Response: Management will evaluate the options relative to timely completing written policies and procedures to enhance performance within the Finance Department as soon as possible.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS (CONTINUED)

2012-004 MONITORING AND TRACKING OF AMBULANCE RECEIVABLES (Significant Deficiency)

Condition: The Village does not have policies and procedures in place to properly monitor and account for the out sourcing of ambulance transport billings services and for the tracking of outstanding ambulance transport accounts receivables. Beginning in 2008, the Village contracted with a third party for the billing of ambulance transport services. The Village Emergency Medical Services (EMS) Department provides the third party contractor with a report of the ambulance transport services provided by the Village. The third party contractor uses the report to prepare an invoice to either bill the patient or the patient's insurance provider. The invoice generated by the third party contractor states that all remittances are to be sent to the Village's address in the form of a check or by credit card payment. There are no reports sent to the Village by the contractor for comparison of amounts billed and collected and for the review of outstanding balances.

Criteria: Good accounting practices and internal controls require that there are written policies and procedures in place to ensure the proper billing, collection, tracking, and monitoring of accounts receivables for services provided especially more so when part of the billing process has been out sourced to a third party.

Effect: The Village is currently recognizing ambulance revenue based on revenue received during the year or on a cash basis and not based on services provided during the year as required by Generally Accepted Accounting Principles (GAAP). In addition, the Village is unable to generate an accurate listing of ambulance accounts receivable management monitoring for internal control purposes and for financial statement reporting purposes. And the Village is unable to determine the effectiveness of using a third party contractor for the processing of ambulance billings.

Cause: The Village's ambulance billing process is too decentralized at the department level and there needs to be more coordination and involvement with the Village's finance department.

Recommendation: We recommend that the Village establish written policies and procedures to ensure the proper monitoring of the ambulance transport billing and payments process. The Village should also ensure that its agreement with the third party billing contractor include criteria to ensure that the billing information is provided to the Village finance and EMS department monthly. The procedures should also require the EMS Department to provide the monthly report of services provided the Village's finance department to be used to track and apply payments against in order to monitor outstanding accounts receivables.

Management's Response: Written procedures will be developed according to GAAP relative to the ambulance receivables recording and reporting process.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

B – AUDIT FINDINGS IN RELATION TO FEDERAL AWARDS

None

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

2003-001 [FS 03-01] Due date of audit report – Repeated and Modified

2003-004 [FS 03-04] Inadequate segregation of duties – Repeated and Modified

2003-006 [FS 03-06] Budget overages – Repeated and Modified

2003-009 [FS 03-09] Utility accounts receivable – Repeated

2003-014 [FS 03-14] Accounting for permit deposits – Repeated

2004-003 [FS 04-03] Travel and per diem reimbursements – Repeated and Modified

[FS 05-02] Water deposit liability – Resolved

2005-003 [FS 05-03] Annual capital asset inventory – Repeated

2005-004 [FS 05-04] Unbilled water receivable – Repeated

2007-002 [FS 07-02] Unlocated accounting records – Repeated and Modified

2007-003 [FS 07-03] Journal entry process – Repeated and Modified

2007-004 [FS 07-04] Inadequate accounting records – Repeated and Modified

2008-002 [FS 08-02] Timeliness of due to/due from reversals –

2009-001 [FS 09-01] Unbudgeted activity – Repeated and Modified

2009-006 [FS 09-06] Control environment – Repeated and Modified

2009-007 [FS 09-07] Accounting for state grants – Repeated and Modified

2009-008 [FS 09-08] SAS-115 – Ineffective oversight of the financial reporting and internal controls – Repeated and Modified

2011-001 [FS 11-01] Internal control over cash disbursements – Repeated and Modified

2001-002 [FS 11-02] Bank reconciliation – Repeated

2011-003 [FS 11-03] Violation of open meeting act – Repeated and Modified

2011-004 [FS 11-04] DFA budget variation in accounting records - Repeated

[FA 11-01] Data Collection Form (non-compliance) – Resolved

**VILLAGE OF ANGEL FIRE, NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2012**

An exit conference was held with the Village on September 17, 2014. The conference was held at the Village hall.

In attendance were:

VILLAGE OF ANGEL FIRE, NEW MEXICO

Chuck Howe, Village Councilor
M. Jay Mitchell, Village Manager

AXIOM CPAS AND BUSINESS ADVISORS, LLC

Chris Garner, Managing Partner
Greg Stricklin, Audit Staff

PREPARATION OF FINANCIAL STATEMENTS

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