

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE

Audited Financial Statements
and Other Financial Information

June 30, 2014



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

VILLAGE OF ANGEL FIRE, NEW MEXICO

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VILLAGE OF ANGEL FIRE, NEW MEXICO

OFFICIAL ROSTER

Year Ended June 30, 2014

Village Council

Barbara Cottam	Mayor (Current)
Chuck Howe	Mayor Pro-Tem
D. Rogers Lanon	Councilor
Christy Germscheid	Councilor
Brinn Colenda	Councilor

Village Officials

Jay Mitchell	Village Manager
Terry Cordova	Village Clerk
Lupita DeHerrera	Finance Director (July 1, 2013 – May 2014)

INDEPENDENT AUDITOR'S REPORT

To Timothy Keller
New Mexico State Auditor and
Village of Angel Fire Council
Village of Angel Fire
Angel Fire, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Village of Angel Fire, New Mexico (the Village), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Village's nonmajor governmental, fiduciary funds, and the budgetary comparisons for the major debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinions on the Due from and Due to Other Funds

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.

Qualified Opinions

In our opinion, except for the effects of the matters in the "Basis for Qualified Opinions on the Due from and Due to Other Funds" paragraph above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, except for the effects of the matters in the "Basis for Qualified Opinions on the Due from and Due to Other Funds" paragraph above, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental of the Village as of June 30, 2014, and the respective budgetary comparisons for the major debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules listed as supporting schedules in the table of contents required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the financial statements.

The additional schedules listed as supporting schedules in the table of contents required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 basic 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 additional schedules listed as supporting schedules in the table of contents required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2015 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* in considering the Village's internal control over financial reporting and compliance.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Albuquerque, New Mexico
June 8, 2015

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 895,903	\$ 1,474,341	\$ 2,370,244
Receivables:			
Taxes	518,815	6,201	525,016
Receivables from external parties		585,525	585,525
Accounts receivable, net of allowance	94,106		94,106
Inventories	38,486	45,615	84,101
Internal balances	(552)	1,910	1,358
Notes Receivable	1,367,599	-	1,367,599
Capital assets, net of accumulated depreciation	33,105,303	10,710,312	43,815,615
<i>Total assets</i>	<u>36,019,660</u>	<u>12,823,904</u>	<u>48,843,564</u>
LIABILITIES			
Accounts payable	496,734	81,026	577,760
Accrued payroll liabilities	74,086	6,030	80,116
Due to other external parties	-	151,376	151,376
Interest payable	32,987	99,430	132,417
Deposits payable	640	60,612	61,252
Current portion of compensated absences	75,115	25,632	100,747
Current portion of long-term debt	846,715	232,679	1,079,394
Noncurrent portion of long-term debt	8,272,704	5,511,556	13,784,260
<i>Total liabilities</i>	<u>9,798,981</u>	<u>6,168,341</u>	<u>15,967,322</u>
NET ASSETS			
Net investment in capital assets	23,985,884	10,755,927	34,741,811
Restricted for:			
Special revenues	950,103	-	950,103
Capital projects	1,809,256	-	1,809,256
Debt service	(2,210,456)	-	(2,210,456)
Unrestricted	1,685,892	(4,100,364)	(2,414,472)
<i>Total net position</i>	<u>\$ 26,220,679</u>	<u>\$ 6,655,563</u>	<u>\$ 32,876,242</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 1,628,638	\$ 266,616	\$ 90,410	\$ (1,271,612)	\$ -	\$ (1,271,612)
Public safety	1,428,072	80,637	264,702	(1,082,733)	-	(1,082,733)
Economic and physical development	234,799	-	-	(234,799)	-	(234,799)
Highways and streets	1,685,045	-	232,247	(1,452,798)	-	(1,452,798)
Health	-	-	-	-	-	-
Culture and recreation	204,571	109,858	12,000	(82,713)	-	(82,713)
Planning	231,715	-	-	(231,715)	-	(231,715)
Interest relating to long-term debt	222,947	-	-	(222,947)	-	(222,947)
Total governmental activities	5,635,787	457,111	599,359	(4,579,317)	-	(4,579,317)
Business-type activities:						
Waste Water	899,584	482,958	-	-	(416,626)	(416,626)
Solid Waste	789,841	912,555	-	-	122,714	122,714
Water	1,141,562	1,737,040	-	-	595,478	595,478
Total business-type activities	\$ 2,830,987	\$ 3,132,553	\$ -	-	301,566	(4,277,751)
General Revenues:						
Taxes:						
Franchise				159,772	-	159,772
Gasoline				30,991	-	30,991
Gross receipts				2,329,070	-	2,329,070
Property				1,407,374	-	1,407,374
Lodgers				231,350	-	231,350
Special Assessments				143,740	-	143,740
Miscellaneous				51,325	14,219	65,544
Interest				1,969	-	1,969
Total general revenues				4,355,591	14,219	4,369,810
Transfers				(29,005)	29,005	-
Change in net position				(252,731)	344,790	92,059
Beginning net position, as previously stated				3,701,054	5,616,213	9,317,267
Prior period adjustment				22,772,356	694,560	23,466,916
Beginning net position, as restated				26,473,410	6,310,773	32,784,183
Ending net position				\$ 26,220,679	\$ 6,655,563	\$ 32,876,242

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

Exhibit B-1

	General Fund 101	Debt Service 402	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 344,378	\$ 2,716	\$ 548,809	\$ 895,903
Receivables:				
Taxes	485,497	-	33,318	518,815
Receivables from external parties	-	-	67,930	67,930
Accounts Receivable, net allowance	26,176	-	-	26,176
Inventories	38,486	-	-	38,486
Due from other funds	1,488,707	27,531	2,706,561	4,222,799
<i>Total assets</i>	<u>\$ 2,383,244</u>	<u>\$ 30,247</u>	<u>\$ 3,356,618</u>	<u>\$ 5,770,109</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	404,459	-	92,275	496,734
Accrued payroll liabilities	70,306	-	468	70,774
Deposits payable	640	-	-	640
Due to other external parties	3,312	-	-	3,312
Due to other funds	1,026,252	2,240,703	956,396	4,223,351
<i>Total liabilities</i>	<u>1,504,969</u>	<u>2,240,703</u>	<u>1,049,139</u>	<u>4,794,811</u>
DEFERRED INFLOWS				
Property taxes				
<i>Total deferred inflows</i>	<u>86,708</u>	<u>-</u>	<u>-</u>	<u>86,708</u>
	<u>86,708</u>	<u>-</u>	<u>-</u>	<u>86,708</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	38,486	-	-	38,486
Restricted for:				
Special revenue funds	-	-	950,103	950,103
Capital projects funds	-	-	1,809,256	1,809,256
Debt service	-	(2,210,456)	-	(2,210,456)
Unassigned for:				
General fund	753,081	-	-	753,081
Special revenue funds	-	-	(451,880)	(451,880)
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>791,567</u>	<u>(2,210,456)</u>	<u>2,307,479</u>	<u>888,590</u>
<i>Total liabilities, deferred inflows and fund balance</i>	<u>\$ 2,383,244</u>	<u>\$ 30,247</u>	<u>\$ 3,356,618</u>	<u>\$ 5,770,109</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
June 30, 2014

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

Fund balances - total governmental funds	\$ 888,590
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,105,303
Notes receivable used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,367,599
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Accrued interest expense	(32,987)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Deferred Revenue	86,708
Notes payable	(9,119,419)
Compensated absences	<u>(75,115)</u>
Total net position	<u>\$ 26,220,679</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, 2014

	General Fund 101	Debt Service 402	Nonmajor Governmental Funds	Total Governmental Funds
<i>Revenues:</i>				
Taxes	\$ 3,886,436	\$ -	\$ 320,074	\$ 4,206,510
Licenses, permits, fees and fines	109,619	-	2,380	111,999
Charges for services	156,997	-	168,400	325,397
Intergovernmental - state sources	90,000	-	500,905	590,905
Intergovernmental - federal sources	-	-	-	-
Special assessments	-	-	143,740	143,740
Contributions and donations	109	-	28,060	28,169
Investment earnings	1,398	-	571	1,969
Other	27,797	-	23,528	51,325
<i>Total revenues</i>	<u>4,272,356</u>	<u>-</u>	<u>1,187,658</u>	<u>5,460,014</u>
<i>Expenditures:</i>				
Current				
General government	1,159,008	-	93,544	1,252,552
Public safety	916,084	-	123,792	1,039,876
Economic and physical development	30,249	-	201,022	231,271
Highways and streets	694,955	-	109,191	804,146
Health	-	-	-	-
Culture and recreation	151,858	-	52,120	203,978
Planning	231,715	-	-	231,715
Capital outlay	225,033	-	148,486	373,519
Debt service				
Principal	-	751,651	-	751,651
Interest and administrative fees	-	314,935	-	314,935
<i>Total expenditures</i>	<u>3,408,902</u>	<u>1,066,586</u>	<u>728,155</u>	<u>5,203,643</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>863,454</u>	<u>(1,066,586)</u>	<u>459,503</u>	<u>256,371</u>
<i>Other financing sources (uses):</i>				
Transfers in	852,445	1,516,198	1,363,426	3,732,069
Transfers out	(1,442,423)	(819,487)	(1,499,164)	(3,761,074)
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(589,978)</u>	<u>696,711</u>	<u>(135,738)</u>	<u>(29,005)</u>
<i>Net change in fund balances</i>	<u>273,476</u>	<u>(369,875)</u>	<u>323,765</u>	<u>227,366</u>
<i>Fund balances (deficits) - beginning of year</i>	<u>518,091</u>	<u>(1,840,581)</u>	<u>1,983,714</u>	<u>661,224</u>
<i>Fund balances(deficits) - end of year</i>	<u>\$ 791,567</u>	<u>\$ (2,210,456)</u>	<u>\$ 2,307,479</u>	<u>\$ 888,590</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, 2014**

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

Net change in fund balances - total governmental funds	\$ 227,366
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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	373,519
Depreciation expense	(1,648,389)

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	(47,953)
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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:

Decrease in accrued interest payable	91,988
Decrease in accrued compensated absences	(913)
Decrease in capital leases	
Principal payments on notes	<u>751,651</u>
Change in net position	<u>\$ (252,731)</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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 3,733,937	\$ 3,733,937	\$ 3,862,955	\$ 129,018
Licenses, permits, fees & fines	83,819	83,819	109,619	25,800
Charges for services	73,178	-	156,997	156,997
Intergovernmental - state sources	35,000	90,000	90,000	-
Contributions and donations	-	100	109	9
Investment earnings	-	285	1,398	1,113
Other	41,919	15,500	27,797	12,297
<i>Total revenues</i>	<u>3,967,853</u>	<u>3,923,641</u>	<u>4,248,875</u>	<u>325,234</u>
<i>Expenditures:</i>				
General government	1,364,141	1,295,436	1,532,856	(237,420)
Public safety	875,018	945,723	916,084	29,639
Economic and physical development	35,397	33,997	30,249	3,748
Highways and streets	1,084,381	875,268	694,955	180,313
Culture and recreation	160,313	161,313	151,858	9,455
Planning	236,040	239,370	231,715	7,655
Capital outlay		262,313	248,431	13,882
<i>Total expenditures</i>	<u>3,755,290</u>	<u>3,813,420</u>	<u>3,806,148</u>	<u>7,272</u>
<i>Other financing sources (uses):</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	852,445	852,445
Transfers out	(420,935)	505,935	(1,442,423)	(1,948,358)
<i>Total other financing sources (uses)</i>	<u>(420,935)</u>	<u>505,935</u>	<u>(589,978)</u>	<u>(1,095,913)</u>
<i>Net change in fund balances</i>	<u>\$ (208,372)</u>	<u>\$ 616,156</u>	<u>(147,251)</u>	<u>\$ (777,951)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			397,246	
Changes in deferrals			23,481	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 273,476</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
JUNE 30, 2014

Exhibit A-1

	Major Proprietary Funds			Total
	Waste Water 503	Solid Waste 504	Water 505	
ASSETS				
<i>Current assets:</i>				
Cash and investments	\$ -	\$ 11,683	\$ 1,302,345	\$ 1,314,028
Restricted cash and investments	-	-	160,313	160,313
Receivables:				
Accounts receivable, net of allowance	68,961	143,479	373,085	585,525
Taxes	-	6,201	-	6,201
Inventory	13,297	710	31,608	45,615
Due from other funds	-	280,446	1,269,618	1,550,064
Total current assets	82,258	442,519	3,136,969	3,661,746
<i>Capital assets:</i>				
Land and water rights	376,475	49,856	4,684,000	5,110,331
Buildings	7,227,987	1,403,124	8,531,139	17,162,250
Machinery and equipment	11,486	1,113,426	104,514	1,229,426
Less accumulated depreciation	(4,203,480)	(1,527,177)	(7,061,038)	(12,791,695)
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	3,412,468	1,039,229	6,258,615	10,710,312
Total assets	\$ 3,494,726	\$ 1,481,748	\$ 9,395,584	\$ 14,372,058
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	9,848	16,264	54,914	81,026
Accrued expenses	1,042	2,116	2,872	6,030
Due to other governments	19,289	28,045	104,042	151,376
Interest payable	95,299	4,131	-	99,430
Deposits payable	-	1,810	58,802	60,612
Due to other funds	1,176,975	100,426	270,753	1,548,154
Compensated absences current	5,469	8,227	11,936	25,632
Capital leases payable-current	-	-	-	-
Bonds payable-current	113,250	-	13,429	126,679
Loans payable-current	-	106,000	-	106,000
Total current liabilities	1,421,172	267,019	516,748	2,204,939
<i>Noncurrent liabilities</i>				
Compensated absences	-	-	-	-
Capital leases payable	-	-	-	-
Loans payable	-	635,209	-	635,209
Bonds payable	4,768,750	-	107,597	4,876,347
Total noncurrent liabilities	4,768,750	635,209	107,597	5,511,556
Total Liabilities	6,189,922	902,228	624,345	7,716,495
NET POSITION				
Nonspendable-inventory	13,297	710	31,608	45,615
Net investment in capital assets	3,412,468	1,039,229	6,258,615	10,710,312
Restricted for:				
Grant expenditures	-	-	160,313	160,313
Unrestricted	(6,120,961)	(460,419)	2,320,703	(4,260,677)
Total net position	(2,695,196)	579,520	8,771,239	6,655,563
TOTAL LIABILITIES AND NET POSITION	\$ 3,494,726	\$ 1,481,748	\$ 9,395,584	\$ 14,372,058

See Notes to Financial Statements

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Major Proprietary Funds			Total
	Waste Water 503	Solid Waste 504	Water 505	
<i>Operating Revenues:</i>				
Sales and Services	\$ 482,739	\$ 867,301	\$ 1,736,355	\$ 3,086,395
<i>Operating Expenses:</i>				
Operating expenses	375,716	588,526	957,309	1,921,551
Depreciation	289,119	169,235	184,253	642,607
<i>Total operating expenses</i>	<u>664,835</u>	<u>757,761</u>	<u>1,141,562</u>	<u>2,564,158</u>
<i>Operating (loss) income</i>	<u>(182,096)</u>	<u>109,540</u>	<u>594,793</u>	<u>522,237</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax	-	44,494	-	44,494
Earnings on investments	219	760	685	1,664
Miscellaneous revenues	-	9,854	4,365	14,219
Transfers in/(out)	(48,191)	(19,567)	96,763	29,005
Interest expense	(234,749)	(32,080)	-	(266,829)
<i>Total non-operating revenues (expenses)</i>	<u>(282,721)</u>	<u>3,461</u>	<u>101,813</u>	<u>(177,447)</u>
<i>Net income (loss)</i>	<u>(464,817)</u>	<u>113,001</u>	<u>696,606</u>	<u>344,790</u>
<i>Net position, beginning of year, as previously stated</i>	(2,230,379)	466,519	7,380,073	5,616,213
<i>Prior period adjustment</i>	-	-	694,560	694,560
<i>Net position, beginning of year, as restated</i>	<u>(2,230,379)</u>	<u>466,519</u>	<u>8,074,633</u>	<u>6,310,773</u>
<i>Net position, end of year</i>	<u>\$ (2,695,196)</u>	<u>\$ 579,520</u>	<u>\$ 8,771,239</u>	<u>\$ 6,655,563</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, 2014**

	Waste Water Fund	Solid Waste Fund	Water Fund	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 474,878	\$ 758,940	\$ 1,719,942	\$ 2,953,760
Cash payments to vendors and employees	<u>(396,048)</u>	<u>(564,192)</u>	<u>(940,335)</u>	<u>(1,900,575)</u>
Net cash provided by operating activities	<u>78,830</u>	<u>194,748</u>	<u>779,607</u>	<u>1,053,185</u>
Cash Flows From Non-Capital Financing				
Gross receipts tax revenue	-	44,494	-	44,494
Due to other funds	256,437	39,538	865	296,840
Transfers out	(48,191)	(19,567)	96,763	29,005
Interest earnings	<u>219</u>	<u>760</u>	<u>685</u>	<u>1,664</u>
Net cash (used) provided by non-capital financing activities	<u>208,465</u>	<u>65,225</u>	<u>98,313</u>	<u>372,003</u>
Cash Flows From Capital and Related				
Disposition and adjustment of capital asset	51,445	(73,280)	(17,292)	(39,127)
Principal payment on bonds	(102,000)	-	(47,168)	(149,168)
Principal payment on loans	-	(109,516)	-	(109,516)
Principal payment on capital leases	-	(32,027)	-	(32,027)
Interest payment on bonds, loans, and leases	<u>(236,740)</u>	<u>(33,467)</u>	<u>-</u>	<u>(270,207)</u>
Net cash used by capital and related financing activities	<u>(287,295)</u>	<u>(248,290)</u>	<u>(64,460)</u>	<u>(600,045)</u>
Net (decrease) increase in cash and cash equivalents	-	11,683	813,460	825,143
Cash and restricted cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>	<u>665,876</u>	<u>665,876</u>
Cash and restricted cash and cash equivalents, end of year	<u>\$ -</u>	<u>11,683</u>	<u>1,479,336</u>	<u>1,491,019</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (182,096)	109,540	594,793	522,237
Noncash items				
Depreciation expense	289,119	169,235	184,253	642,607
Adjustments to operating income				
Accounts receivable	(7,861)	(37,667)	(16,430)	(61,958)
Inventory	(28,669)	(710)	(18,101)	(47,480)
Due from other funds	-	(70,694)	17	(70,677)
Accounts payable	2,485	9,383	(25,134)	(13,266)
Meter deposit	-	2,125	5,080	7,205
Accrued liabilities	8,506	(9,367)	(16,271)	(17,132)
Due to other governments	-	24,053	68,728	92,781
Compensated absences	<u>(2,654)</u>	<u>(1,150)</u>	<u>2,672</u>	<u>(1,132)</u>
Net cash provided (used) by operating activities	<u>\$ 78,830</u>	<u>\$ 194,748</u>	<u>\$ 779,607</u>	<u>\$ 1,053,185</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, 2014

	Balance June 30, 2014
ASSETS	
Cash on deposit	\$ 14,320
Due from other funds	<u>-</u>
<i>Total assets</i>	<u><u>\$ 14,320</u></u>
LIABILITIES	
Amount due to individuals (for release bonds)	\$ 12,962
Due to other funds	<u>1,358</u>
<i>Total liabilities</i>	<u><u>\$ 14,320</u></u>

See Notes to Financial Statements

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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, 2014.

The government-wide financial statements report information on all of the non-fiduciary activities of the Village. Where appropriate, the effect of Interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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, expenses, gains, losses, assets and liabilities, and deferred inflows and outflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33. Property taxes are recognized as revenues in the year for which they are levied. 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, 2014**

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 was implemented for the year ended June 30, 2014. 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, 2014**

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.

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:

Wastewater – 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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

The Village reports the following fund types:

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

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

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

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

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

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, 2014**

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

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

Buildings	25 years
Software	3 – 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 provides Paid Time Off (PTO) for needs such as vacation, personal or family illness. The Village accrues PTO 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
0-1 years	4.62	15
2-5 years	5.54	18
6-10 years	6.79	22
11-15 years	7.69	25
16-20 years	8.62	28
More than 20 years	9.23	30

Regular full time employees shall be allowed to accumulate and carry forward PTO on an annual basis based on length of service, in accordance with the following schedule (each regular part time employee accrues at one-half of the rates):

**VILLAGE OF ANGEL FIRE, NEW MEXICO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

Length of Service	Max Carry Forward (hours)
0-1 years	120
2-5 years	212
6-10 years	264
11-15 years	300
16-20 years	336
More than 20 years	360

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 non-spendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Non-spendable. The non-spendable 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

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

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.

Net Assets and Net Position

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. The Government-wide Statement of Net Position reports \$24,082,907 of governmental activities restricted net position of which \$921,903 is restricted by enabling legislation.

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,

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Continued)

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.
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 91.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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 90 for a reconciliation of bank to book balances.

Concentration of Credit Risk – Investments

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

As of June 30, 2014, the State Treasurer Local Government Investment Pool (LGIP) was rated by Standard's & Poor's as AAAM. At June 30, 2014, the Village had \$1,397 in the LGIP. The State Treasurer Local Government Investment Pool (LGIP) is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

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

LGIP does not have unit shares. Monthly, all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in this pool is voluntary. The independent auditor's report, together with the financial statements, the accompanying notes to the financial statements and the independent auditor's report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

Interest Rate Risk – Investments

GASB Statement No. 40 defines interest rate risk as the risk that interest variations may adversely affect the fair value of an investment. According to the Statement, an acceptable method of reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the Local Government Investment Pool (LGIP). The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.nmsto.gov. As of June 30, 2014, the LGIP had a credit risk rating of AAAM and a WAM(R) of 48.6 days and a WAM(F) of 116.20 days.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3 – ACCOUNTS RECEIVABLE

Governmental accounts receivables – customers represent billings for ambulance transport services. Business-Type Activities accounts receivable – customers 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 balances. Accounts receivable is comprised of the following at June 30, 2014:

<u>Accounts Receivable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Accounts Receivable - Customers	\$ 189,778	\$ 1,762,492	\$ 1,952,270
Less Allowance for uncollectible	(163,602)	(1,176,967)	(1,340,569)
Net Accounts Receivables	<u>26,176</u>	<u>585,525</u>	<u>611,701</u>
Intergovernmental:			
SAFER Grant	5,414	-	5,414
NM Clean and Beautiful	2,548	-	2,548
Capital Projects – 312	8,600	-	8,600
Co-op / MAP Grant	51,368	-	51,368
Total Intergovernmental Rec.	<u>67,930</u>	<u>-</u>	<u>67,930</u>
Notes Receivable:	1,367,599	-	1,367,599
Taxes Receivable:			
Property Tax	121,595	-	121,595
Gross Receipts Tax	324,259	6,201	330,460
Franchise Tax	34,532	-	34,532
Lodgers Tax	11,462	-	11,462
Motor Vehicle Tax	4,206	-	4,206
Gas Taxes	5,111	-	5,111
Sports & Recreation	5,313	-	5,313
Public Safety	12,337	-	12,337
Total Taxes Receivable	<u>518,815</u>	<u>6,201</u>	<u>525,016</u>
Total Accounts Receivable	<u>\$ 1,980,520</u>	<u>\$ 591,726</u>	<u>\$ 2,572,246</u>

Management has determined 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, 2014

NOTE 4 – CAPITAL ASSETS

Capital Asset activity for the year was as follows:

Governmental Activities	Beg. Balance	Additions	Prior Period Adjustment	Reclasses	Ending Balance
Capital assets not being depreciated:					
Land	\$ 563,146	\$ 126,604	\$ -	\$ -	\$ 689,750
Land – right of way	2,622,459	-	-	-	2,622,459
Construction in progress	2,039,541	-	-	(2,039,541)	-
Water Rights	750,000	-	-	-	750,000
Total capital assets not being depreciated	5,975,146	126,604	-	(2,039,541)	4,062,209
Capital assets being depreciated:					
Buildings	2,247,860	-	15,525	-	2,263,385
Software	186,728	-	-	-	186,728
Vehicles	2,292,156	178,540	-	-	2,470,696
Capital lease vehicles	317,458	1,122	-	-	318,580
Sports complex	-	-	1,580,203	150,118	1,730,321
Machinery and equipment	358,679	67,253	-	-	425,932
Infrastructure	10,592,635	-	22,518,486	1,889,423	35,000,545
Total capital assets being depreciated	15,995,516	246,915	24,114,214	2,039,541	42,396,186
Less accumulated depreciation for:					
Buildings	(998,215)	(205,269)	-	-	(1,318,839)
Software	(181,077)	(2,260)	-	-	(183,337)
Vehicles	(1,762,172)	(212,366)	-	-	(1,974,538)
Capital lease vehicles	(297,860)	(20,720)	-	-	(318,580)
Sports complex	-	(115,355)	(115,355)	-	(230,710)
Machinery and equipment	(293,705)	(17,284)	-	-	(310,989)
Infrastructure	(5,462,216)	(1,189,455)	(2,594,103)	-	(8,821,357)
Total accumulated depreciation	(8,995,245)	(1,648,389)	(2,709,458)	-	(13,353,092)
Total capital assets being depreciated, net	7,000,271	(1,401,474)	21,404,756	2,039,541	29,043,094
Governmental activities capital assets, net	\$ 12,975,417	\$ (1,274,870)	\$ 21,404,756	\$ -	\$ 33,105,303

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4 – CAPITAL ASSETS (Continued)

<u>Business-type Activities</u>	<u>Beg. Balance</u>	<u>Additions</u>	<u>Prior Period Adjustment</u>	<u>Deletions</u>	<u>End Balance</u>
Capital assets not being depreciated:					
Land	\$ 860,331	\$ -	\$ -	\$ -	\$ 860,331
Construction in progress	241,584	-	(241,584)	-	-
Water rights	4,250,000	-	-	-	4,250,000
Total capital assets not being depreciated	5,351,915	-	(241,584)	-	5,110,331
Capital assets being depreciated:					
Plant and system	15,871,982	17,711	1,033,108	-	16,922,801
Equipment	733,751	42,677	169,134	-	945,562
Vehicles	394,887	45,931	82,498	-	523,316
Total capital assets being depreciated	17,000,620	106,319	1,284,740	-	18,391,679
Total capital assets	22,352,535	106,319	1,043,156	-	23,502,010
Less accumulated depreciation for:					
Plant and system	(10,935,704)	(512,633)	(113,641)	-	(11,561,978)
Equipment	(518,989)	(88,834)	(152,455)	-	(760,278)
Vehicles	(345,802)	(41,140)	(82,500)	-	(469,442)
Total accumulated depreciation	(11,800,495)	(642,607)	(348,596)	-	(12,791,698)
Total capital assets being depreciated, net	5,200,125	(536,288)	936,144	-	5,599,981
Business-type activities capital assets, net	\$ 10,552,040	\$ (536,288)	\$ 694,560	\$ -	\$ 10,710,312

Governmental activities:

General government	\$ (375,173)
Public safety	(388,196)
Highways and streets	(880,899)
Culture and recreation	(593)
Economic and physical development	(3,528)
Total depreciation expense	\$ <u>(1,648,389)</u>

Business-type activities:

Waste water	\$ (289,119)
Solid waste	(169,235)
Water	(184,253)
Total depreciation expense	\$ <u>(642,607)</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5 – LONG-TERM OBLIGATIONS—GOVERNMENTAL ACTIVITIES

During the year ended June 30, 2014, the following changes occurred:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans Payable	\$ 4,953,985	\$ -	\$ 400,446	\$ 4,553,539	\$ 544,400
Bonds Payable	4,798,427	-	313,032	4,485,395	262,778
Capital Leases	118,659	-	38,174	80,485	39,537
Compensated Absences	74,202	90,626	89,713	75,115	75,115
Total	\$ 9,945,273	\$ 90,626	\$ 841,365	\$ 9,194,534	\$ 921,830

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 records the pledged revenue related to the debt in another fund and transfer funds to the debt service fund for principal and interest payments.

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>
2015	\$ 94,649	\$ 11,145	\$ 105,794
2016	98,112	7,690	105,802
2017	101,830	3,982	105,812
Totals	\$ 294,591	\$ 22,817	\$ 317,408

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>
2015	\$ 16,000	\$ 640	\$ 16,640
Totals	\$ 16,000	\$ 640	\$ 16,640

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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>
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	\$ 76,801	\$ 6,934	\$ 83,735

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>
2015	\$ 28,000	\$ 24,438	\$ 52,438
2016	29,000	23,248	52,248
2017	31,000	22,015	53,015
2018	32,000	20,698	52,698
2019	33,000	19,338	52,338
2020-2024	189,000	74,249	263,249
2025-2029	233,000	30,517	263,517
Totals	\$ 575,000	\$ 214,503	\$ 789,503

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>
2015	\$ 4,000	\$ 4,095	\$ 8,095
2016	4,000	3,915	7,915
2017	5,000	3,735	8,735
2018	5,000	3,510	8,510
2019	5,000	3,285	8,285
2020-2024	29,000	12,780	41,780
2025-2029	39,000	5,580	44,580
Totals	\$ 91,000	\$ 36,900	\$ 127,900

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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

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 \$56,452 during the year and had an outstanding balance of \$880,127 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>
2015	\$ 57,519	\$ 31,733	\$ 89,252
2016	58,842	30,410	89,252
2017	60,377	28,874	89,251
2018	62,110	27,142	89,252
2019	64,017	25,235	89,252
2020-2024	339,838	91,800	431,638
2025-2027	237,424	20,953	258,377
Totals	\$ 880,127	\$ 256,147	\$ 1,136,274

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>
2015	\$ -	\$ 42,146	\$ 42,146
2016	-	42,146	42,146
2017	-	42,146	42,146
2018	-	42,146	42,146
2019	-	42,146	42,146
2020-2024	54,661	207,643	262,304
2025-2029	255,052	189,581	444,633
2030-2034	613,378	89,377	702,755
Totals	\$ 923,091	\$ 697,331	\$ 1,620,422

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 \$92,031 on this line of credit during the fiscal year and had an outstanding balance of \$227,590 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>
2015	\$ 227,590	\$ 11,380	\$ 238,970
Totals	\$ 227,590	\$ 11,380	\$ 238,970

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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 \$130,092 as reserve on the loan at Bank of New York Mellon Trust Company. The Village made a principal payment of \$81,494 during the year and had an outstanding balance of \$1,409,164 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>
2015	\$ 82,790	\$ 46,970	\$ 129,760
2016	84,413	45,348	129,761
2017	86,413	43,347	129,760
2018	88,729	41,031	129,760
2019	91,311	38,449	129,760
2020-2024	503,238	145,564	648,802
2025-2028	472,270	46,771	519,041
Totals	\$ 1,409,164	\$ 407,480	\$ 1,816,644

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>
2015	\$ 986	\$ 40	\$ 1,026
2016	989	38	1,027
2017	991	35	1,026
2018	994	33	1,027
2019	996	30	1,026
2020-2024	5,019	114	5,133
2025-2029	5,081	51	5,132
2030	1,024	3	1,027
Totals	\$ 16,080	\$ 344	\$ 16,424

On November 16, 2012 the Village obtained a loan from the New Mexico Finance Authority in the amount of \$58,439, with a variable interest rate, with an interest rate ranging from 1.38%-1.86% during the current fiscal year, for the purpose of purchasing and equipping two Police cars. The future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 14,602	\$ 344	\$ 14,946
2016	14,688	258	14,946
2017	14,805	142	14,947
Totals	\$ 44,095	\$ 744	\$ 44,839

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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

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:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,000	\$ 27,550	\$ 40,550
2016	14,000	26,900	40,900
2017	15,000	26,200	41,200
2018	15,000	25,450	40,450
2019	16,000	24,700	40,700
2020-2024	95,000	110,500	205,500
2025-2029	120,000	84,250	204,250
2030-2034	153,000	51,200	204,200
2035-2037	110,000	11,150	121,150
Totals	\$ 551,000	\$ 387,900	\$ 938,900

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>
2015	\$ 57,361	\$ 11,938	\$ 69,299
2016	59,971	9,328	69,299
2017	62,700	6,599	69,299
2018	65,553	3,746	69,299
2019	33,887	762	34,649
Totals	\$ 279,472	\$ 32,373	\$ 311,845

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, 2013 was \$1,556,042. 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, 2014

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 80,000	\$ 62,732	\$ 142,732
2016	80,000	59,332	139,332
2017	90,000	55,932	145,932
2018	90,000	52,107	142,107
2019	90,000	48,282	138,282
2020-2024	540,000	178,510	718,510
2025-2028	506,042	54,153	560,195
Totals	\$ 1,476,042	\$ 511,048	\$ 1,987,090

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>
2015	\$ 125,600	\$ 80,289	\$ 205,889
2016	130,800	75,108	205,908
2017	136,200	69,713	205,913
2018	141,800	64,094	205,894
2019	147,700	58,245	205,945
2020-2024	835,000	194,659	1,029,659
2025-2027	429,301	29,514	458,815
Totals	\$ 1,946,401	\$ 571,622	\$ 2,518,023

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>
2015	\$ 44,178	\$ 7,065	\$ 51,243
2016	45,317	5,925	51,242
2017	46,600	4,643	51,243
2018	48,017	3,226	51,243
2019	48,368	1,675	50,043
Totals	\$ 232,480	\$ 22,534	\$ 255,014

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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 asset is a 2011 Windland Truck. The lease obligation outstanding as of June 30, 2014 is \$118,659. 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>
2015	39,537	2,873	42,410
2016	40,948	1,462	42,410
Total	\$ 80,485	\$ 4,335	\$ 84,820

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>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans Payable	\$ 985,146	\$ -	\$ 122,911	\$ 862,235	\$ 126,679
Bonds Payable	4,984,000	-	102,000	4,882,000	106,000
Capital Leases	32,027	-	32,027	-	-
Compensated Absences	26,764	31,841	32,973	25,632	25,632
Total	\$ 6,027,937	\$ 31,841	\$ 289,911	\$ 5,769,867	\$ 258,311

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 6 – LONG-TERM DEBT—BUSINESS TYPE ACTIVITIES (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>
2015	\$ 9,101	\$ 137	\$ 9,238
2016	9,124	115	9,239
2017	9,147	92	9,239
2018	9,170	69	9,239
2019	9,193	46	9,239
2020	9,216	23	9,239
Totals	\$ 54,951	\$ 482	\$ 55,433

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>
2015	\$ 70,250	\$ 24,720	\$ 94,970
2016	73,174	21,805	94,979
2017	76,300	18,686	94,986
2018	79,619	15,376	94,995
2019	83,144	11,860	95,004
2020-2021	177,722	12,313	190,035
Totals	\$ 560,209	\$ 104,760	\$ 664,969

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>
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	\$ 181,000	\$ 16,380	\$ 197,380

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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

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>
2015	\$ 4,328	\$ 165	\$ 4,493
2016	4,339	154	4,493
2017	4,350	144	4,494
2018	4,361	133	4,494
2019	4,372	122	4,494
2020-2024	22,025	445	22,470
2025-2029	22,300	168	22,468
Totals	\$ 66,075	\$ 1,331	\$ 67,406

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>
2015	\$ 53,000	\$ 115,948	\$ 168,948
2016	55,000	113,430	168,430
2017	58,000	110,818	168,818
2018	61,000	108,063	169,063
2019	64,000	105,165	169,165
2020-2024	367,000	477,329	844,329
2025-2029	462,000	381,617	843,617
2030-2034	583,000	260,966	843,966
2035-2039	738,000	108,586	846,586
Totals	\$ 2,441,000	\$ 1,781,922	\$ 4,222,922

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, 2014**

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

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>
2015	\$ 53,000	\$ 115,948	\$ 168,948
2016	55,000	113,430	168,430
2017	58,000	110,818	168,818
2018	61,000	108,063	169,063
2019	64,000	105,165	169,165
2020-2024	367,000	477,329	844,329
2025-2029	462,000	381,617	843,617
2030-2034	583,000	260,966	843,966
2035-2039	738,000	108,586	846,586
Totals	\$ <u>2,441,000</u>	\$ <u>1,781,922</u>	\$ <u>4,222,922</u>

Lease Purchase Obligations

The Village was 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. These leases matured and were paid off in 2014.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 7 – INTERFUND BALANCES

The following are amounts owed between funds and are classified as due from/to other funds at June 30, 2014.

<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	\$ 1,488,707	General Fund	\$ 1,026,252
Debt Service Fund	27,531	Debt Service Fund	2,240,703
Total Major Governmental Funds	\$ 1,516,238	Total Major Governmental Funds	\$ 3,266,955
Nonmajor Governmental Funds:		Nonmajor Governmental Funds:	
Corrections Fund	\$ 20,047	Corrections Fund	\$ -
Wildland Fires Fund	3,096	Safer Fund	5,414
Fire Protection Fund	98,511	Emergency Medical Service Fund	14,635
Lodgers Tax Reserve Fund	402,089	Fire Protection Fund	10,306
Sports and Recreation Fund	102,104	Lodgers Tax	15,305
Fire Donations Fund	603	NM Tourism Grant	3,609
Public Safety Building Fund	592,994	Motor Vehicle Fund	50,161
Capital Projects Fund	21,260	Capital Projects Fund	97,386
Capital Building Water Tank Fund	681,367	Capital Building Water Tank Fund	7,900
Lagoon Cleanup Fund	42,860	Wildland Urban Interface Fund	4,128
Street Project Fund	104,833	Lagoon Cleanup Fund	169,097
MAP Grants Fund	266,625	Transfer Station Fund	238,253
Fire Protection Facility Fund	8,410	CIP-Water Project	37,334
HWY 434 Assessment	361,762	Street Project Fund	35,056
		MAP Grants Fund	60,406
		HWY 434 Assessment	189,678
		Ambulance Debt Service	17,728
Total Nonmajor Governmental Funds	\$ 2,706,561	Total Nonmajor Governmental Funds	\$ 956,396
Enterprise Funds:		Enterprise Funds:	
Solid Waste Fund	\$ 280,446	Wastewater Fund	\$ 1,176,975
Water Fund	1,269,618	Solid Waste Fund	100,426
Water Rights	-	Water Fund	270,753
Total Enterprise Funds	\$ 1,550,064	Total Enterprise Funds	\$ 1,548,154
Agency Fund		Agency Fund	
Municipal Court Fund	-	Municipal Court Fund	1,358
Grand Total	\$ 5,772,863	Grand Total	\$ 5,772,863

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 8 – DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balances at June 30, 2014:

Debt Service	\$	(2,210,456)
Wastewater		(2,695,196)
State EMS		(972)
Motor Vehicle		(27,228)
Wildland Urban Interface		(4,128)
Lagoon Cleanup		(126,327)
Transfer Station Construction		(238,253)
CIP Water Project		(37,334)
Ambulance		(17,728)
Total	\$	<u>(5,357,622)</u>

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

NOTE 9 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following:

Major Funds	Transfers In	Transfers Out
<i>Governmental Activities</i>		
General	\$ 852,445	\$ 1,442,423
Debt Service	1,516,198	819,487
<i>Business-type Activities</i>		
Wastewater	338,740	386,931
Solid Waste	226,876	246,443
Water Fund	13,733	61,368
Water Rights	167,878	23,480
Total Major Funds	<u>3,120,299</u>	<u>2,984,520</u>
Non-Major Funds		
<i>Governmental Activities</i>	1,355,314	1,491,052
	\$ <u>4,471,184</u>	\$ <u>4,471,184</u>

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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 11 – PENSION PLAN—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

Substantially all of the Village’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA’s website at www.pera.state.nm.us.

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 10.65%, in the law enforcement plan 17.8%, and in the fire plan 17.7%. The Village of Angel Fire is required to contribute 9.55% for regular plan members, 18.9% for law enforcement plan members, and 21.65% 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, 2014, 2013, and 2012 were \$209,426, \$205,514, and \$225,337, 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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 13 – RISK MANAGEMENT (CONTINUED)

The Village had no significant reductions in insurance coverage from coverage in the prior year. In the fiscal years ended June 30, 2014, 2013 and 2012, 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.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

The Village is from time to time the defendant in various lawsuits. For fiscal year end June 30, 2014, there were no such lawsuits pending or ongoing.

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, 2014, management estimates that no material liabilities will result from such audits.

Commitments

The Village contracts with outside vendors for construction projects. At June 30, 2014, 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, 2014. 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, 2014.

2015	\$	58,954
2016		47,705
2017		38,003
2018		20,088
2019		19,223
Total	\$	<u>183,973</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 15 – BUDGET OVERAGES

The budget for the following funds was overspent during fiscal year 2014:

206-Emergency Medical Services	\$	(655)
211-Law Enforcement Protection Fund		(794)
214-NM Tourism Grant		(13,132)
219-Shuter Library		(1)
230-NM Clean & Beautiful		(204)
209-State Fire Protection		(60,395)
504-Solid Waste		(22,464)
505-Water		(281,984)
503-Wastewater		(193,662)
Total	\$	<u>(573,291)</u>

NOTE 16 – CASH SHORTFALL

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

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

NOTE 17 – PRIOR PERIOD ADJUSTMENT

Prior period adjustments were required to properly restate the prior period net position for:

- Governmental Funds – Infrastructure assets in the amount of \$21,404,756 were omitted from the 2013 statement of net position;
- Governmental Funds – notes receivable in the amount of \$1,367,599 were omitted from the 2013 statement of net position;
- Enterprise Funds - Capital assets in the amount of \$694,560 were omitted from the 2013 statement of net position.

VILLAGE OF ANGEL FIRE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENTS

In June 2011, GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 5. Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the Village in upcoming years.

In March 2011, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65, which is effective for financial statements for periods beginning after December 15, 2012, amends or supersedes accounting and financial reporting guidance for certain items previously reported as assets or liabilities. The standard is expected to have no effect on the Village in upcoming years.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68, which is effective for financial statements for periods beginning after June 15, 2014, replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. Upon adoption of this standard for the fiscal year ending June 30, 2015, the statement of net position will included a material liability for pension participation.

In January 2013, the GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations, which is effective for financial statements for periods beginning after December 15, 2013. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The standard is expected to have no effect on the Village in upcoming years.

In November 2013, the GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68. GASB Statement No. 71 should be applied simultaneously with the provisions of Statement No. 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The standard is expected to have no effect on the Village in upcoming years.

SUPPLEMENTARY INFORMATION

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2014**

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 \$20 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.

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 wild land 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.

Traffic Safety – DWI Fund 212

To account for New Mexico Department of Transportation grant funds to conduct Operations Driving While Intoxicated (ODWI), to reduce driving while intoxicated, increase seat belt usage, reduce unrestrained occupant fatalities, and reduce speeding in the Village of Angel Fire. The fund was authorized under the Traffic Safety Act, NMSA 1978, Section 66-7 501 through 66-7-511.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
YEAR ENDED JUNE 30, 2014**

Lodgers Tax Reserve Fund 213

To account for lodgers tax collections. The tax is to be used for anything associated with tourist related facilities, attractions, and transportation systems. The fund was established by section 3-38-14 NMSA, 1978.

New Mexico Tourism Grant Fund 214

To account for New Mexico Department of Tourism grant funds to provide advertising and promotional services through various forms of media to promote tourism for the State of New Mexico in cooperation with the Village of Angel Fire. The fund was authorized under the New Mexico Tourism Act, NMSA 1978 and the Village Council.

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.

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, 2014**

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.

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.

Allen Fields 510

To account for revenues and expenditures, excluding facility debt activity to operate Allen Fields.

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, 2014**

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.

Transfer Station Construction Fund 320

To account for the monies received and expended for construction associated with the transfer station.

Transit Facility Construction Fund 321

To account for the receipt and expenditure of funds relative to the bus transit service providing a village-wide transportation system. Funding was provided by the Transit and Rail Division of the New Mexico D.O.T., FTA Section 53-11.

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, 2014**

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 704

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, 2014

Special Revenue

	Corrections Fund 201 & 210	Safer Grant 205	State EMS 206	Wildland Fires 208
ASSETS				
Cash and investments	\$ -	-	14,343	51,461
Receivables:				
Taxes	-	-	-	-
Special Assessment Districts	-	-	-	-
Receivables from external parties	-	5,414	-	-
Due from other funds	20,047	-	-	3,096
<i>Total assets</i>	<u>\$ 20,047</u>	<u>5,414</u>	<u>14,343</u>	<u>54,557</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	\$ -	-	680	-
Accrued payroll liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	-	5,414	14,635	-
<i>Total liabilities</i>	<u>-</u>	<u>5,414</u>	<u>15,315</u>	<u>-</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	20,047	-	-	54,557
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	(972)	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>20,047</u>	<u>-</u>	<u>(972)</u>	<u>54,557</u>
<i>Total liabilities and fund balance</i>	<u>\$ 20,047</u>	<u>5,414</u>	<u>14,343</u>	<u>54,557</u>

Special Revenue

	State Fire Protection 209	LEPF Fund 211	Traffic Safety - DWI Fund 212	Lodgers Tax 213	NM Tourism Grant 214
\$	121,122	5,203	-	92,193	7,362
	-	-	-	11,462	-
	-	-	-	-	-
	-	-	-	-	-
	<u>98,511</u>	<u>-</u>	<u>-</u>	<u>402,089</u>	<u>-</u>
\$	<u>219,633</u>	<u>5,203</u>	<u>-</u>	<u>505,744</u>	<u>7,362</u>
\$	89,397	500	-	1,422	-
	-	-	-	410	-
	-	-	-	-	-
	-	-	-	-	-
	<u>10,306</u>	<u>-</u>	<u>-</u>	<u>15,305</u>	<u>3,609</u>
	<u>99,703</u>	<u>500</u>	<u>-</u>	<u>17,137</u>	<u>3,609</u>
	-	-	-	-	-
	119,930	4,703	-	488,607	3,753
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>119,930</u>	<u>4,703</u>	<u>-</u>	<u>488,607</u>	<u>3,753</u>
\$	<u>219,633</u>	<u>5,203</u>	<u>-</u>	<u>505,744</u>	<u>7,362</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

Special Revenue

	Lodgers Tax Chamber 215	Public Works 216	Sports & Recreation 217	Shuter Library 219	Transit 5311 224
ASSETS					
Cash and investments	\$ -	-	147,565	-	-
Receivables:					
Taxes	-	-	5,313	-	-
Special Assessment Districts	-	-	-	-	-
Receivables from external parties	-	-	-	-	1
Due from other funds	-	-	102,104	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>-</u>	<u>254,982</u>	<u>-</u>	<u>1</u>
LIABILITIES AND FUND BALANCE					
<i>Liabilities:</i>					
Accounts payable	\$ -	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other external parties	-	-	-	-	-
Due to other funds	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>					
Nonspendable - inventory	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	254,982	-	1
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned for:					
General fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>-</u>	<u>-</u>	<u>254,982</u>	<u>-</u>	<u>1</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>254,982</u>	<u>-</u>	<u>1</u>

Special Revenue

	NM Clean & Beautiful 230	Community Center 250	Fire Donations 260	Allen Fields 510	Motor Vehicle 233	Total Special Revenue Funds
\$	-	-	-	438	18,996	458,683
	-	-	-	-	4,206	20,981
	-	-	-	-	-	-
	2,548	-	-	-	-	7,962
	-	-	603	-	-	626,450
\$	<u>2,548</u>	<u>-</u>	<u>603</u>	<u>438</u>	<u>23,202</u>	<u>1,114,076</u>
\$	52	-	-	13	211	92,275
	-	-	-	-	58	468
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	50,161	99,430
	<u>52</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>50,430</u>	<u>192,173</u>
	-	-	-	-	-	-
	2,496	-	603	425	-	950,103
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(27,228)	(28,200)
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>2,496</u>	<u>-</u>	<u>603</u>	<u>425</u>	<u>(27,228)</u>	<u>921,903</u>
\$	<u>2,548</u>	<u>-</u>	<u>603</u>	<u>438</u>	<u>23,202</u>	<u>1,114,076</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Capital Projects				
	Public Safety Building 310	Capital Projects 312	CB Water Tank 314	Forest Thinning 316	Wildland Urban Interface 317
ASSETS					
Cash and investments	\$ 4,901	84,698	-	-	-
Receivables:					
Taxes	12,337	-	-	-	-
Special Assessment Districts	-	-	-	-	-
Receivables from external parties	-	8,600	-	-	-
Due from other funds	592,994	21,260	681,367	-	-
<i>Total assets</i>	<u>\$ 610,232</u>	<u>114,558</u>	<u>681,367</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCE					
<i>Liabilities:</i>					
Accounts payable	\$ -	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other external parties	-	-	-	-	-
Due to other funds	-	97,386	7,900	-	4,128
<i>Total liabilities</i>	<u>-</u>	<u>97,386</u>	<u>7,900</u>	<u>-</u>	<u>4,128</u>
<i>Fund Balance:</i>					
Nonspendable - inventory	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	610,232	17,172	673,467	-	-
Debt service	-	-	-	-	-
Unassigned for:					
General fund	-	-	-	-	-
Special revenue funds	-	-	-	-	(4,128)
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>610,232</u>	<u>17,172</u>	<u>673,467</u>	<u>-</u>	<u>(4,128)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 610,232</u>	<u>114,558</u>	<u>681,367</u>	<u>-</u>	<u>-</u>

Capital Projects

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
\$ -	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	51,368
<u>42,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,833</u>	<u>266,625</u>
\$ <u>42,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,833</u>	<u>317,993</u>
\$ -	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>169,097</u>	<u>-</u>	<u>238,253</u>	<u>-</u>	<u>37,334</u>	<u>35,056</u>	<u>60,406</u>
<u>169,097</u>	<u>-</u>	<u>238,253</u>	<u>-</u>	<u>37,334</u>	<u>35,056</u>	<u>60,406</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	69,777	257,587
-	-	-	-	-	-	-
(126,237)	-	(238,253)	-	(37,334)	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(126,237)</u>	<u>-</u>	<u>(238,253)</u>	<u>-</u>	<u>(37,334)</u>	<u>69,777</u>	<u>257,587</u>
\$ <u>42,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,833</u>	<u>317,993</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

Capital Projects

	Back Basin Road 378	Fire Protection Facility 381	HWY 434 Assessment 507	Total Capital Project Funds
ASSETS				
Cash and investments	\$ -	-	527	90,126
Receivables:				-
Taxes	-	-	-	12,337
Special Assessment Districts	-	-	-	-
Receivables from external parties	-	-	-	59,968
Due from other funds	-	8,410	361,762	2,080,111
<i>Total assets</i>	<u>\$ -</u>	<u>8,410</u>	<u>362,289</u>	<u>2,242,542</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts payable	\$ -	-	-	-
Accrued payroll liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other external parties	-	-	-	-
Due to other funds	-	-	189,678	839,238
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>189,678</u>	<u>839,238</u>
<i>Fund Balance:</i>				
Nonspendable - inventory	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	8,410	172,611	1,809,256
Debt service	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Special revenue funds	-	-	-	(405,952)
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
<i>Total fund balance (deficit)</i>	<u>-</u>	<u>8,410</u>	<u>172,611</u>	<u>1,403,304</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>8,410</u>	<u>362,289</u>	<u>2,242,542</u>

<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
Ambulance Debt Service Fund 405	<u>Totals</u>
\$ -	548,809
-	33,318
-	-
-	67,930
-	2,706,561
<u>\$ -</u>	<u>3,356,618</u>
\$ -	92,275
-	468
-	-
-	-
17,728	956,396
<u>17,728</u>	<u>1,049,139</u>
-	-
-	950,103
-	1,809,256
-	-
-	-
-	-
(17,728)	(451,880)
-	-
<u>(17,728)</u>	<u>2,307,479</u>
<u>\$ -</u>	<u>3,356,618</u>

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, 2014

	<u>Special Revenue</u>			
	Corrections Fund 201 & 210	Safer Grant 205	State EMS 206	Wildland Fires 208
<i>Revenues:</i>				
Taxes	\$ -	-	-	-
Licenses, permits, fees and fines	2,380	-	-	-
Charges for services	-	-	1,653	-
Intergovernmental - state sources	-	-	11,385	-
Intergovernmental - federal sources	-	-	-	-
Special assessments	-	-	-	-
Contributions and donations	-	-	-	-
Investment earnings	-	-	-	-
Other	-	-	500	-
<i>Total revenues</i>	<u>2,380</u>	<u>-</u>	<u>13,538</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	16
Public safety	975	-	11,466	3,527
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>975</u>	<u>-</u>	<u>11,466</u>	<u>3,543</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,405</u>	<u>-</u>	<u>2,072</u>	<u>(3,543)</u>
<i>Other financing sources (uses):</i>				
Transfers in	21,959	116,136	22,130	-
Transfers out	(50,346)	(10,528)	-	(222,420)
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(28,387)</u>	<u>105,608</u>	<u>22,130</u>	<u>(222,420)</u>
<i>Net change in fund balances</i>	(26,982)	105,608	24,202	(225,963)
<i>Fund balances (deficits) - beginning of year</i>	<u>47,029</u>	<u>(105,608)</u>	<u>(25,174)</u>	<u>280,520</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 20,047</u>	<u>-</u>	<u>(972)</u>	<u>54,557</u>

Special Revenue

	State Fire Protection 209	LEPF Fund 211	Traffic Safety DWI Fund 212	Lodgers Tax 213	NM Tourism Grant 214
\$	-	-	-	231,350	-
	-	-	-	-	-
	-	-	-	-	-
	238,370	14,947	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	15,760	-
	-	3	-	-	-
	9,024	5,200	-	-	162
	<u>247,394</u>	<u>20,150</u>	<u>-</u>	<u>247,110</u>	<u>162</u>
	90,251	-	-	-	-
	56,159	12,548	-	-	-
	-	-	-	201,022	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	37,676	-
	-	-	-	-	-
	5,338	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>151,748</u>	<u>12,548</u>	<u>-</u>	<u>238,698</u>	<u>-</u>
	95,646	7,602	-	8,412	162
	-	19,693	-	-	8,658
	(364,057)	(26,043)	(1,603)	(52,091)	-
	-	-	-	-	-
	<u>(364,057)</u>	<u>(6,350)</u>	<u>(1,603)</u>	<u>(52,091)</u>	<u>8,658</u>
	(268,411)	1,252	(1,603)	(43,679)	8,820
	388,341	3,451	1,603	532,286	(5,067)
\$	<u>119,930</u>	<u>4,703</u>	<u>-</u>	<u>488,607</u>	<u>3,753</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, 2014

	<u>Special Revenue</u>			
	Lodgers Tax Chamber 215	Public Works 216	Sports & Recreation 217	Shuter Library 219
	<u>215</u>	<u>216</u>	<u>217</u>	<u>219</u>
<i>Revenues:</i>				
Taxes	\$ -	-	-	-
Licenses, permits, fees and fines	-	-	-	-
Charges for services	-	-	109,858	-
Intergovernmental - state sources	-	-	-	3,955
Intergovernmental - federal sources	-	-	-	-
Special assessments	-	-	-	-
Contributions and donations	-	-	12,000	-
Investment earnings	-	-	565	-
Other	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>122,423</u>	<u>3,955</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	3,956
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>-</u>	<u>-</u>	<u>-</u>	<u>3,956</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>122,423</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Transfers in	1,750	63,125	140,634	7,327
Transfers out	-	-	(125,245)	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,750</u>	<u>63,125</u>	<u>15,389</u>	<u>7,327</u>
<i>Net change in fund balances</i>	1,750	63,125	137,812	7,326
<i>Fund balances (deficits) - beginning of year</i>	<u>(1,750)</u>	<u>(63,125)</u>	<u>117,170</u>	<u>(7,326)</u>
<i>Fund balances (deficits) - end of year</i>	\$ <u>-</u>	<u>-</u>	<u>254,982</u>	<u>-</u>

Special Revenue

	Transit 5311 224	NM Clean & Beautiful 230	Community Center 250	Fire Donations 260	Allen Fields 510	Motor Vehicle 233	Total Special Revenue Funds
\$	-	-	-	-	-	-	231,350
	-	-	-	-	-	-	2,380
	-	5,196	-	-	8,257	43,436	168,400
	-	1	-	-	-	-	268,658
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	300	-	-	-	-	28,060
	-	-	-	-	-	3	571
	-	-	-	-	8,642	-	23,528
	-	5,497	-	-	16,899	43,439	722,947
	-	-	-	-	2,769	508	93,544
	-	-	-	1	-	-	88,633
	-	-	-	-	-	-	201,022
	-	-	-	-	6,092	42,427	48,519
	-	-	-	-	-	-	-
	-	4,277	-	-	10,167	-	52,120
	-	-	-	-	-	-	-
	-	-	-	-	-	-	5,338
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	4,277	-	1	19,028	42,935	489,176
	-	1,220	-	(1)	(2,129)	504	233,771
	232,021	-	286,183	-	41	-	919,657
	-	(5,012)	-	-	-	(290)	(857,635)
	232,021	(5,012)	286,183	-	41	(290)	62,022
	232,021	(3,792)	286,183	(1)	(2,088)	214	295,793
	(232,020)	6,288	(286,183)	604	2,513	(27,442)	626,110
\$	<u>1</u>	<u>2,496</u>	<u>-</u>	<u>603</u>	<u>425</u>	<u>(27,228)</u>	<u>921,903</u>

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, 2014

	Capital Projects				
	Public Safety Building 310	Capital Projects 312	CB Water Tank 314	Forest Thinning 316	Wildland Urban Interface 317
<i>Revenues:</i>					
Taxes	\$ 88,724	-	-	-	-
Licenses, permits, fees and fines	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental - state sources	-	147,144	-	-	-
Intergovernmental - federal sources	-	-	-	-	-
Special assessments	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Investment earnings	-	-	-	-	-
Other	-	-	-	-	-
<i>Total revenues</i>	<u>88,724</u>	<u>147,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	1	-
Economic and physical development	-	-	-	-	-
Highways and streets	-	-	-	-	-
Health	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Planning	-	-	-	-	-
Capital outlay	-	143,148	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and administrative fees	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>143,148</u>	<u>-</u>	<u>1</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>88,724</u>	<u>3,996</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Transfers in	74,314	-	-	78,584	-
Transfers out	(151,604)	(1,423)	-	(94,537)	-
Proceeds from issuance of debt	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(77,290)</u>	<u>(1,423)</u>	<u>-</u>	<u>(15,953)</u>	<u>-</u>
<i>Net change in fund balances</i>	11,434	2,573	-	(15,954)	-
<i>Fund balances (deficits) - beginning of year</i>	<u>598,798</u>	<u>14,599</u>	<u>673,467</u>	<u>15,954</u>	<u>(4,128)</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 610,232</u>	<u>17,172</u>	<u>673,467</u>	<u>-</u>	<u>(4,128)</u>

Capital Projects

	Lagoon Cleanup 318	HUD Assessment 319	Transfer Station Construction 320	Transit Facility Construction 321	CIP Water Project 330	GRT Road Project 350	COOP/ MAP Grants 360	Back Basin 378
\$	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	85,103	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	85,103	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	35,158	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	60,672	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	95,830	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(10,727)	-
	205,949	-	-	2,851	-	-	73,959	-
	-	-	-	-	-	(9,691)	-	(45)
	-	-	-	-	-	-	-	-
	<u>205,949</u>	<u>-</u>	<u>-</u>	<u>2,851</u>	<u>-</u>	<u>(9,691)</u>	<u>73,959</u>	<u>(45)</u>
	205,949	-	-	2,851	-	(9,691)	63,232	(45)
	<u>(332,186)</u>	<u>-</u>	<u>(238,253)</u>	<u>(2,851)</u>	<u>(37,334)</u>	<u>79,468</u>	<u>194,355</u>	<u>45</u>
\$	<u>(126,237)</u>	<u>-</u>	<u>(238,253)</u>	<u>-</u>	<u>(37,334)</u>	<u>69,777</u>	<u>257,587</u>	<u>-</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Capital Projects</u>		
	Fire Protection Facility 381	HWY 434 Assessment 507	Total Capital Project Funds
<i>Revenues:</i>			
Taxes	\$ -	-	88,724
Licenses, permits, fees and fines	-	-	-
Charges for services	-	-	-
Intergovernmental - state sources	-	-	232,247
Intergovernmental - federal sources	-	-	-
Special assessments	-	143,740	143,740
Contributions and donations	-	-	-
Investment earnings	-	-	-
Other	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>143,740</u>	<u>464,711</u>
<i>Expenditures:</i>			
Current			
General government	-	-	-
Public safety	-	-	35,159
Economic and physical development	-	-	-
Highways and streets	-	-	60,672
Health	-	-	-
Culture and recreation	-	-	-
Planning	-	-	-
Capital outlay	-	-	143,148
Debt service			
Principal	-	-	-
Interest and administrative fees	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>238,979</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>143,740</u>	<u>225,732</u>
<i>Other financing sources (uses):</i>			
Transfers in	-	-	435,657
Transfers out	-	(376,117)	(633,417)
Proceeds from issuance of debt	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(376,117)</u>	<u>(197,760)</u>
<i>Net change in fund balances</i>	-	(232,377)	27,972
<i>Fund balances (deficits) - beginning of year</i>	<u>8,410</u>	<u>404,988</u>	<u>1,375,332</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 8,410</u>	<u>172,611</u>	<u>1,403,304</u>

Debt Service Ambulance Debt Service Fund 405	Total Nonmajor Governmental Funds
	Totals
\$ -	320,074
-	2,380
-	168,400
-	500,905
-	-
-	143,740
-	28,060
-	571
-	23,528
-	<u>1,187,658</u>
-	93,544
-	123,792
-	201,022
-	109,191
-	-
-	52,120
-	-
-	148,486
-	-
-	-
-	<u>728,155</u>
-	<u>459,503</u>
-	1,355,314
-	(1,491,052)
-	-
-	<u>(135,738)</u>
-	323,765
(17,728)	<u>1,983,714</u>
\$ <u>(17,728)</u>	<u><u>2,307,479</u></u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
<i>Revenues:</i>				
Licenses, permits, fees & fines	\$ 6,000	\$ 6,000	\$ 2,380	\$ (3,620)
<i>Total revenues</i>	<u>6,000</u>	<u>6,000</u>	<u>2,380</u>	<u>(3,620)</u>
<i>Expenditures:</i>				
Public safety	5,000	5,000	975	4,025
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>975</u>	<u>4,025</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	21,959	21,959
Transfers out	-	-	(50,346)	(50,346)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(28,387)</u>	<u>(28,387)</u>
<i>Net change in fund balances</i>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>(26,982)</u>	<u>\$ (27,982)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (26,982)</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Federal Grants	\$ -	\$ 2,500	\$ 5,317	\$ 2,817
<i>Total revenues</i>	<u>-</u>	<u>2,500</u>	<u>5,317</u>	<u>2,817</u>
<i>Expenditures:</i>				
Public Safety	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	116,136	116,136
Transfers out	-	-	(10,528)	(10,528)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>105,608</u>	<u>105,608</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>110,925</u>	<u>\$ 108,425</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(844)	
Changes in deferrals			(4,473)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 105,608</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
<i>Revenues:</i>				
State operating grants	\$ 11,385	\$ 11,385	\$ 11,385	\$ -
Charges for services	-	3,412	2,153	(1,259)
<i>Total revenues</i>	<u>11,385</u>	<u>14,797</u>	<u>13,538</u>	<u>(1,259)</u>
<i>Expenditures:</i>				
Public safety	11,385	11,491	12,146	(655)
<i>Total expenditures</i>	<u>11,385</u>	<u>11,491</u>	<u>12,146</u>	<u>(655)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	22,130	22,130
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>22,130</u>	<u>22,130</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ 3,306</u>	<u>23,522</u>	<u>\$ 20,216</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			680	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 24,202</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ 55,000	\$ 55,000	\$ 64,059	\$ 9,059
<i>Total revenues</i>	<u>55,000</u>	<u>55,000</u>	<u>64,059</u>	<u>9,059</u>
<i>Expenditures:</i>				
Public safety	43,040	43,040	3,543	39,497
<i>Total expenditures</i>	<u>43,040</u>	<u>43,040</u>	<u>3,543</u>	<u>39,497</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(222,420)	(222,420)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(222,420)</u>	<u>(222,420)</u>
<i>Net change in fund balances</i>	<u>\$ 11,960</u>	<u>\$ 11,960</u>	<u>(161,904)</u>	<u>\$ (173,864)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(9,723)	
Changes in deferrals			(54,336)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (225,963)</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State capital grants	\$ 157,880	\$ 157,880	\$ 247,394	\$ 89,514
<i>Total revenues</i>	<u>157,880</u>	<u>157,880</u>	<u>247,394</u>	<u>89,514</u>
<i>Expenditures:</i>				
General Government	-	-	90,251	(90,251)
Public safety	169,750	169,750	145,556	24,194
Capital outlay	11,000	11,000	5,338	5,662
<i>Total expenditures</i>	<u>180,750</u>	<u>180,750</u>	<u>241,145</u>	<u>(60,395)</u>
<i>Other financing sources (uses)</i>				
Transfers out	(60,860)	(60,860)	(364,057)	(303,197)
<i>Total other financing sources (uses)</i>	<u>(60,860)</u>	<u>(60,860)</u>	<u>(364,057)</u>	<u>(303,197)</u>
<i>Net change in fund balances</i>	<u>\$ (83,730)</u>	<u>\$ (83,730)</u>	<u>(357,808)</u>	<u>\$ (274,078)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			89,397	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (268,411)</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State operating grants	\$ 22,400	\$ 22,400	\$ 22,400	\$ -
Other	-	5,200	5,203	3
<i>Total revenues</i>	<u>22,400</u>	<u>27,600</u>	<u>27,603</u>	<u>3</u>
<i>Expenditures:</i>				
Public safety	7,200	12,254	13,048	(794)
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>7,200</u>	<u>12,254</u>	<u>13,048</u>	<u>(794)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	19,693	19,693
Transfers out	(15,119)	(15,119)	(26,043)	(10,924)
<i>Total other financing sources (uses)</i>	<u>(15,119)</u>	<u>- (15,119)</u>	<u>(6,350)</u>	<u>(10,924)</u>
<i>Net change in fund balances</i>	<u>\$ 15,200</u>	<u>\$ 15,346</u>	<u>8,205</u>	<u>\$ (7,141)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			500	
Changes in deferrals			(7,453)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 1,252</u>	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
TRAFFIC SAFETY DWI- 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Revenues	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Other	-	-	-	-
Total revenues	2,000	2,000	-	(2,000)
<i>Expenditures:</i>				
Public safety	2,000	2,000	500	1,500
Capital Outlay	-	-	-	-
Total expenditures	2,000	2,000	500	1,500
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(1,603)	(1,603)
Total other financing sources (uses)	-	-	(1,603)	(1,603)
Net change in fund balances	\$ -	\$ -	(2,103)	\$ (2,103)
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			500	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			\$ (1,603)	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 246,740	\$ 246,740	\$ 245,054	\$ (1,686)
Contributions and donations	15,760	15,760	15,760	-
Total revenues	262,500	262,500	260,814	(1,686)
<i>Expenditures:</i>				
Economic & physical development	316,702	283,962	202,854	81,108
Culture and recreation	-	48,500	37,676	10,824
Total expenditures	316,702	332,462	240,530	91,932
<i>Other financing sources (uses)</i>				
Transfers out	(41,200)	(41,200)	(52,091)	(10,891)
Total other financing sources (uses)	(41,200)	(41,200)	(52,091)	(10,891)
Net change in fund balances	\$ (95,402)	\$ (111,162)	(31,807)	\$ (104,509)
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			1,832	
Changes in deferrals			(13,704)	
Net Change in Fund Balances (GAAP Basis)			\$ (43,679)	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
NM TOURISM 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
State Operating Grant	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Culture and recreation	-	-	13,132	(13,132)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>13,132</u>	<u>(13,132)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	8,658	8,658
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>8,658</u>	<u>8,658</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,474)</u>	<u>\$ 21,790</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			1,832	
Changes in deferrals			<u>11,462</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 8,820</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	178,624	118,435	116,201	(2,234)
Contributions and donations	-	12,000	12,000	-
Investment earnings	-	5	565	560
Other	-	-	-	-
Total revenues	178,624	130,440	128,766	(1,674)
<i>Expenditures:</i>				
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
<i>Other financing sources (uses)</i>				
Transfers in	-	-	140,634	140,634
Transfers out	(129,760)	(129,760)	(125,245)	4,515
Total other financing sources (uses)	(129,760)	(129,760)	15,389	145,149
Net change in fund balances	\$ 48,864	\$ 680	144,155	\$ 143,475
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			(6,343)	
Net Change in Fund Balances (GAAP Basis)			\$ 137,812	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ 3,955	\$ 3,955	\$ 3,955	\$ -
<i>Total revenues</i>	<u>3,955</u>	<u>3,955</u>	<u>3,955</u>	<u>-</u>
<i>Expenditures:</i>				
Public safety	3,955	3,955	3,956	(1)
<i>Total expenditures</i>	<u>3,955</u>	<u>3,955</u>	<u>3,956</u>	<u>(1)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	7,327	7,327
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>7,327</u>	<u>7,327</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>7,326</u>	<u>\$ 7,326</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 7,326</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ -	\$ 3,300	\$ 2,648	\$ (652)
Intergovernmental - state sources	3,300	825	1	(824)
Other	-	-	300	300
<i>Total revenues</i>	<u>3,300</u>	<u>4,125</u>	<u>2,949</u>	<u>(1,176)</u>
<i>Expenditures:</i>				
Culture and recreation	<u>3,300</u>	<u>4,125</u>	<u>4,329</u>	<u>(204)</u>
<i>Total expenditures</i>	<u>3,300</u>	<u>4,125</u>	<u>4,329</u>	<u>(204)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(5,012)	(5,012)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(5,012)</u>	<u>(5,012)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(6,392)</u>	<u>\$ (6,392)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			52	
Changes in deferrals			<u>2,548</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (3,792)</u>	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
ALLEN FIELDS - 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ 12,000	\$ 12,000	\$ 8,257	\$ (3,743)
Other	10,000	15,000	8,642	(6,358)
<i>Total revenues</i>	<u>22,000</u>	<u>27,000</u>	<u>16,899</u>	<u>(10,101)</u>
<i>Expenditures:</i>				
General government	-	-	2,769	(2,769)
Highways and streets	2,100	2,100	6,092	(3,992)
Culture and Recreation	18,000	20,900	10,167	10,733
<i>Total expenditures</i>	<u>20,100</u>	<u>23,000</u>	<u>19,028</u>	<u>3,972</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	41	41
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
<i>Net change in fund balances</i>	<u>\$ 1,900</u>	<u>\$ 4,000</u>	<u>(2,088)</u>	<u>\$ (6,088)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (2,088)</u>	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
MVD - 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Charges for services	\$ 49,000	\$ 49,000	\$ 47,938	\$ (1,062)
Investment earnings	3	3	3	-
<i>Total revenues</i>	<u>49,003</u>	<u>49,003</u>	<u>47,941</u>	<u>(1,062)</u>
<i>Expenditures:</i>				
General government	-	-	508	(508)
Highways and streets	48,299	48,299	41,052	7,247
<i>Total expenditures</i>	<u>48,299</u>	<u>48,299</u>	<u>41,560</u>	<u>6,739</u>
<i>Other financing sources (uses)</i>				
Transfers out	-	-	(290)	(290)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(290)</u>	<u>(290)</u>
<i>Net change in fund balances</i>	<u>\$ 704</u>	<u>\$ 704</u>	<u>6,091</u>	<u>\$ (8,091)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			(1,375)	
Changes in deferrals			(4,502)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 214</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ 91,667	\$ 88,369	\$ (3,298)
<i>Total revenues</i>	<u>-</u>	<u>91,667</u>	<u>88,369</u>	<u>(3,298)</u>
<i>Expenditures:</i>				
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	74,314	74,314
Transfers out	-	-	(151,604)	(151,604)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(77,290)</u>	<u>(77,290)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ 91,667</u>	<u>11,079</u>	<u>\$ (80,588)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			355	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 11,434</u>	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
CAPITAL PROJECTS - 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 91,667	\$ -	\$ -	\$ -
Intergovernmental - state sources	534,414	436,168	138,544	(297,624)
Other	161,152	-	-	-
<i>Total revenues</i>	<u>787,233</u>	<u>436,168</u>	<u>138,544</u>	<u>(297,624)</u>
<i>Expenditures:</i>				
Economic and physical development	-	-	-	-
Public safety	-	9,647	-	9,647
Culture and recreation	-	-	-	-
Capital outlay	695,566	414,867	143,148	271,719
<i>Total expenditures</i>	<u>695,566</u>	<u>424,514</u>	<u>143,148</u>	<u>281,366</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(1,423)	(1,423)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,423)</u>	<u>(1,423)</u>
<i>Net change in fund balances</i>	<u>\$ 91,667</u>	<u>\$ 11,654</u>	<u>(6,027)</u>	<u>\$ (580,413)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			8,600	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 2,573</u>	

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
COOP-MAP GRANTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Intergovernmental - state sources	\$ 360,010	\$ 360,010	\$ 33,735	\$ (326,275)
Other	-	-	-	-
<i>Total revenues</i>	<u>360,010</u>	<u>360,010</u>	<u>33,735</u>	<u>(326,275)</u>
<i>Expenditures:</i>				
Public safety	-	-	35,158	(35,158)
Highways and streets	360,010	360,010	60,672	299,338
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>360,010</u>	<u>360,010</u>	<u>95,830</u>	<u>264,180</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	73,959	73,959
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>73,959</u>	<u>73,959</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>11,864</u>	<u>\$ (62,095)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			51,368	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 63,232</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Special Assessments	\$ 21,000	\$ 210,000	\$ 171,326	\$ (38,674)
<i>Total revenues</i>	<u>21,000</u>	<u>210,000</u>	<u>171,326</u>	<u>(38,674)</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>21,000</u>	<u>210,000</u>	<u>171,326</u>	<u>(38,674)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(205,950)	(376,117)	(170,167)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(205,950)</u>	<u>(376,117)</u>	<u>(170,167)</u>
<i>Net change in fund balances</i>	<u>\$ 21,000</u>	<u>\$ 4,050</u>	<u>(204,791)</u>	<u>\$ (208,841)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			(27,586)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (232,377)</u>	

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	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Other	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Debt Service				
Principal	793,157	997,743	751,651	246,092
Interest and administrative fees	520,182	651,070	314,935	336,135
Other	1,716	-	-	-
<i>Total expenditures</i>	<u>1,315,055</u>	<u>1,648,813</u>	<u>1,066,586</u>	<u>582,227</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,315,055)</u>	<u>(1,648,813)</u>	<u>(1,066,586)</u>	<u>582,227</u>
<i>Other financing sources (uses):</i>				
Transfers in	1,315,055	1,757,813	1,516,198	(241,615)
Transfers out	-	-	(819,487)	(819,487)
<i>Total other financing sources (uses)</i>	<u>1,315,055</u>	<u>1,757,813</u>	<u>696,711</u>	<u>(1,061,102)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ 109,000</u>	<u>(369,875)</u>	<u>\$ (478,875)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in accruals			-	
Changes in deferrals			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (369,875)</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and Services	\$ 508,655	\$ 508,655	\$ 482,739	\$ (25,916)
Other	-	-	219	219
<i>Total revenues</i>	<u>508,655</u>	<u>508,655</u>	<u>482,958</u>	<u>(25,697)</u>
<i>Expenses:</i>				
Operating expenses	<u>473,373</u>	<u>471,173</u>	<u>664,835</u>	<u>(193,662)</u>
<i>Total expenditures</i>	<u>473,373</u>	<u>471,173</u>	<u>664,835</u>	<u>(193,662)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in	-	-	338,740	(338,740)
Transfers Out	(411,261)	(411,261)	(386,931)	24,330
Interest expense	-	-	(234,749)	(234,749)
<i>Total Other Financing Sources</i>	<u>(411,261)</u>	<u>(411,261)</u>	<u>(282,940)</u>	<u>(549,159)</u>
<i>Net change in fund balances</i>	<u>\$ (375,979)</u>	<u>\$ (373,779)</u>	<u>\$ (464,817)</u>	<u>\$ (768,518)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Sales and Services	\$ 944,383	\$ 944,383	\$ 867,301	\$ (77,082)
Other	45,833	45,833	55,108	9,275
<i>Total revenues</i>	<u>990,216</u>	<u>990,216</u>	<u>922,409</u>	<u>(67,807)</u>
<i>Expenses:</i>				
Operating expenses	766,230	735,297	757,761	(22,464)
<i>Total expenses</i>	<u>766,230</u>	<u>735,297</u>	<u>757,761</u>	<u>(22,464)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in	-	-	226,876	226,876
Transfers Out	(144,504)	(168,504)	(246,443)	(77,939)
Interest	-	-	(32,080)	(32,080)
<i>Total Other Financing Sources</i>	<u>(144,504)</u>	<u>(168,504)</u>	<u>(51,647)</u>	<u>116,857</u>
<i>Net change in fund balances</i>	<u>\$ 79,482</u>	<u>\$ 86,415</u>	<u>\$ 113,001</u>	<u>\$ 26,586</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Sales and services	\$ 1,244,650	\$ 1,424,188	\$ 1,736,355	\$ 312,167
Other	-	-	-	-
<i>Total revenues</i>	<u>1,244,650</u>	<u>1,424,188</u>	<u>1,736,355</u>	<u>312,167</u>
<i>Expenses:</i>				
Operating expenses	857,771	859,578	1,141,562	(281,984)
<i>Total expenses</i>	<u>857,771</u>	<u>859,578</u>	<u>1,141,562</u>	<u>(281,984)</u>
<i>Non-operating revenues (expenses)</i>				
Transfers in	-	-	181,611	181,611
Transfers Out	(87,826)	(87,826)	(84,848)	2,978
Interest	-	-	5,050	5,050
<i>Total Other Financing Sources</i>	<u>(87,826)</u>	<u>(87,826)</u>	<u>101,813</u>	<u>189,639</u>
<i>Net change in fund balances</i>	<u>\$ 299,053</u>	<u>\$ 476,784</u>	<u>\$ 696,606</u>	<u>\$ 219,822</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2014

	Balance <u>June 30, 2013</u>	Additions	Deletions	Balance <u>June 30, 2014</u>
ASSETS				
Cash	\$ 12,872	\$ 1,448	\$ -	\$ 14,320
Due from other funds	<u>13,108</u>	<u>-</u>	<u>(13,108)</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 25,980</u>	<u>\$ 1,448</u>	<u>\$ (13,108)</u>	<u>\$ 14,320</u>
LIABILITIES				
Amounts payable to others (for release bonds)	\$ 7,536	\$ 5,426	\$ -	\$ 12,962
Due to other funds	<u>18,444</u>	<u>-</u>	<u>(17,086)</u>	<u>1,358</u>
<i>Total liabilities</i>	<u>\$ 25,980</u>	<u>\$ 5,426</u>	<u>\$ (17,086)</u>	<u>\$ 14,320</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF CASH AND TEMPORARY INVESTMENTS ACCOUNTS
YEAR ENDED JUNE 30, 2014

Schedule 1

	<u>Bank Balance</u>
Deposits in Frist National Bank of New Mexico:	
Enterprise Account - Checking	\$ 526,539
Deposits in International Bank:	
Infrastructure - Checking	527
Allen Fields Op & Maint - Checking	642
Operating Account - Checking	742,008
Payroll - Clearing	162,081
Motor Vehicle Department - Checking	19,016
State EMS Fund - Checking	9,884
State Fire Protection Fund - Checking	122,242
Law Enforcement Protection Fund - Checking	8,673
Lodgers Tax - Checking	95,412
Wildlands Fire	51,461
Municipal Court	14,320
NM Tourism Grant	7,362
Sports and Recreation Facility Fee - Checking	6,373
Public Safety Building - Checking	4,901
Debt Service Account - Checking	2,716
EMS CPR Classes - Checking	4,458
Capital Projects - Checking	84,698
Total bank balance	<u>1,863,313</u>
Reconciling items:	
Outstanding checks	(132,354)
Deposits in transit	3,418
Total adjustments	<u>(128,936)</u>
Total book balance	1,734,377
Petty cash fund	278
Investment Accounts:	
Office of State Treasurer - LGIP	1,397
New Mexico Finance Authority - Debt Service Cash Reserves	648,512
Total Investment accounts	<u>649,909</u>
Total cash per book (general ledger)	\$ <u><u>2,384,564</u></u>
Total Cash for Primary Government per Statement of Net Position	2,370,244
Plus Municipal Court Agency Fund - Regular Checking	14,320
Total Cash per Primary Government and Agency Fund	\$ <u><u>2,384,564</u></u>

**STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF PLEDGED COLLATERAL
YEAR ENDED JUNE 30, 2014**

Schedule 2

	<u>International Bank</u>	<u>First National Bank</u>	<u>Total All Banks</u>
Total amount of deposits in bank:			
Infrastructure-Checking	\$ 527	\$ -	\$ 527
Allen Fields Operating & Maintenance-Checking	642	-	642
Capital Projects-Checking	84,698	-	84,698
Debt Service-Checking	2,716	-	2,716
State EMS Fund-Checking	9,884	-	9,884
EMS CPR Classes-Checking	4,878	-	4,878
Municipal Court	14,206	-	14,206
NM Tourism Grant	7,362	-	7,362
Operating Account-Checking	742,008	-	742,008
LEPF-Checking	8,673	-	8,673
Lodgers Tax Account-Checking	95,412	-	95,412
Payroll Clearing Account-Checking	162,082	-	162,082
Public Safety Building-Checking	4,901	-	4,901
Sports and Recreation Facility Fee-Checking	6,373	-	6,373
State Fire Protection Fund-Checking	122,243	-	122,243
MVD-Checking	19,016	-	19,016
Wildland Fires Fund-Checking	-	51,461	51,461
Utility Account-Checking	-	526,539	526,539
	-	-	-
	-	-	-
Total Deposits	<u>1,285,620</u>	<u>578,000</u>	<u>1,863,620</u>
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>
Total Uninsured Public Funds	1,035,620	328,000	1,363,620
Pledged 50% Collateral Required	<u>517,810</u>	<u>164,000</u>	<u>681,810</u>
Total Required Collateralization			
Pledged securities:			
FHLB NON CBL CUSIP #313370JS8	200,539		200,539
FNMA 1.200 12/20/18 '13 CUSIP#3136G12K4	121,367		121,367
FHLB 3.00 8/01/2016 CUSIP#73085PBA6		350,859	350,859
FNMA 1.200 12/20/18 '13 CUSIP#3136G12K4	145,641		145,641
FNMA 1.200 12/20/18 '13 CUSIP#3136G12K4	242,735		242,735
Total pledged collateral at June 30, 2014	<u>710,282</u>	<u>350,859</u>	<u>1,061,141</u>
Excess (deficiency)	<u>192,472</u>	<u>186,859</u>	<u>379,331</u>

STATE OF NEW MEXICO
VILLAGE OF ANGEL FIRE
SCHEDULE OF JOINT POWERS AGREEMENT
FOR THE YEAR ENDED JUNE 30, 2014

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 commerical commuter airline services
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, 2014

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>
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**

Tim Keller
New Mexico State Auditor and
Village of Angel Fire Council
Village of Angel Fire
Angel Fire, New Mexico

Independent Auditor's Report

We have audited, in accordance with the 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, 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 of the Village of Angel Fire, New Mexico (the "Village") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated June 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses or schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 questioned costs to be material weaknesses: 2009-006, 2009-008, and 2014-001.

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 accompanying schedule of findings and questioned costs to be significant deficiencies: 2003-004, 2007-003, 2007-004, 2008-002, 2011-001, 2011-002, 2012-003, and 2012-004.

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 is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items: 2003-001 and 2003-006.

The Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Axiom CPAs and Business Advisors, LLC
Albuquerque New Mexico
June 8, 2015

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

2003-001 DUE DATE OF AUDIT REPORT (Other Matter) – Repeated and Modified

Conditions: The June 30, 2014 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, 2014 report to be filed by December 1, 2014.

Effect: The Village is in violation of State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2014. 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 2013 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, which would include retaining a finance director who has the skillsets to catch up on and maintain the accounting records and properly disseminate financial information to the council.

Management’s Response: The Village Council and management are aware of the need for policies and procedures, as well as the lack of sufficient staffing in the Finance area, resulting in financial records not being adequate for a timely audit. The Village is in search of a Finance Director who will in part be responsible for timely reconciliations as well as formulating adequate policies and procedures.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014

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

2003-004 INADEQUATE SEGREGATION OF DUTIES (Significant Deficiency) – Repeated and Modified

Conditions: During our testing of internal controls 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. Due to the timing of the issuance of these financial statements, the Village was not able to remedy this until after the 2014 fiscal year, but did implement access restrictions in September of 2014.

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 has implemented procedures to address the segregation of duties issues identified in the finding. Additionally, the Village has changed system rights in the accounting software to ensure proper segregation of duties.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

2003-006 BUDGET OVERAGES (Non-compliance) – Repeated and Modified

Condition: During our analysis of budget to actual reports for the year ended June 30, 2014, we noted the expenditures in the following funds exceeded the budgeted amounts:

206-Emergency Medical Services	(655)
211-Law Enforcement Protection Fund	(794)
214-NM Tourism Grant	(13,132)
219-Shuter Library	(1)
230-NM Clean & Beautiful	(204)
209-State Fire Protection	(60,395)
504-Solid Waste	(22,464)
505-Water	(281,984)
503-Wastewater	(193,662)
Total	\$ <u>(573,291)</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.

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: Year end 2014 was closed by an outside party, as the Village did not have a Finance Director. Proper procedures will be implemented to become compliant relative to budget oversight.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014

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

2007-003 JOURNAL ENTRY (JE) PROCESS (Significant Deficiency) – Repeated and Modified

Condition: Out of 13 journal entries selected for testing, 4 entries totaling \$4,104 did not have evidence of review or approval and 2 of the entries totaling \$29 did not have supporting documentation.

Criteria: Sound internal control policies should include controls over the journal entry process; adjusting journal entries should include, at a minimum, supporting documentation, indication of the reason for the entry, and indication that the entry was reviewed by someone other than the person posting the entry.

Effect: Failure to have such a review process in place could result in misappropriation or misstatement of financial statement amounts and is also subjects the general ledger to potential fraudulent entries.

Cause: The Village has not yet implemented a formalized process for entering journal entries into the system.

Recommendation: We recommend the Village implement policies and procedures to ensure that journal entries are reviewed and/or approved prior to being posted into the general ledger. Subsequent to the 2014 fiscal year end, it was noted that the Village had implemented a process for reviewing journal entries.

Management's Response: As stated above, the Village has now implemented an adequate process for the review of journal entries.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

2007-004 INADEQUATE ACCOUNTING RECORDS (Significant Deficiency) – Repeated and Modified

Condition: During our review over credit card accounts with available credit of \$19,000, we noted that 4 out of a sample of 5 credit card accounts were not reviewed by someone other than the card holder.

Criteria: 2.20.5.8 (C)(1) NMAC requires that”an internal control structure exists and is functioning properly” which would purport to include controls over credit cards and related transactions.

Effect: Credit card transactions were entered into the general ledger without review of the propriety of the expenditures which could have resulted in unauthorized or improper expenditures being recorded in the Village’s financial statements.

Cause: The Village does not have the proper policies and procedures in place to ensure that credit card transactions have been properly approved, reviewed, and recorded.

Recommendation: We recommend the Village establish proper review and approval processes for all credit card financial transactions and that Village management ensure that there is documented evidence of the control step being performed. It was noted that subsequent to year end, the Village implemented controls whereby a department head or the Village manager reviews and signs off on credit card statements prior to payment.

Management’s Response: As stated above, the Village has now implemented controls relative proper review and authorization of credit card purchases.

VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014

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

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

Condition: Several Interfund balances on the Village records remained unchanged from FY 2013 to FY 2014.

Criteria: Good accounting practices require entities to properly categorize interfund activity 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 did not have oversight over this accounting area in previous years going back to 2008; since then, the cumulative effect of years of not being properly maintained has resulted in balances that have yet to be reconciled

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: As stated above the accounting balances of Due to/Due from entries have built over the past decade. It is recognized that a staffing shortage and training are behind the lack of timely reconciliations and relief of these balances.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

2009-006 CONTROL ENVIRONMENT (Material Weakness) – Repeated

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 several 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: It is recognized that a staffing shortage and training are behind the lack of timely reconciliations and relief of these balances. Management is seeking the correct number of adequately trained accounting staff to ensure accounting reconciliations and records are maintained timely.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

2011-001 INTERNAL CONTROL OVER CASH DISBURSEMENTS (Significant Deficiency) – Repeated and Modified

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

- In 8 disbursements out of 40 tested totaling \$17,465, we noted that there was no evidence that there was no purchase requisition or purchase order included with the supporting documents.
- In 3 disbursements out of 40 tested totaling \$6,299, we noted that there was no evidence that the 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 or support, items could be procured that are inappropriate and/or unallowed and the risk of misappropriation is increased.

Cause: The processes related to cash disbursements were not consistently followed or monitored to insure that the Village was adhering to its controls over cash disbursements.

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: The purchase process is being developed and will be overseen by the newly certified Chief Procurement Officer. Policies and procedures are being formally documented and staff will be trained in the upcoming year. Management is committed to strengthening and adhering to the purchasing process.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

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

Condition: While conducting our audit for fiscal year 2014, we noted the Village did not prepare 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 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 resources to prepare the financial statements diminishes the adequacy of the internal controls that are present.

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, 2014**

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

2011-002 BANK RECONCILIATION (Significant Deficiency) – Repeated and Modified

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 and reviewed by someone independent of the preparation process 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 review of bank reconciliations may cause the financial statements to be incorrect. In addition, asset misappropriation may go unnoticed.

Cause: 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 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. It was noted that subsequent to year end, the Village has implemented a procedure whereby a member of management, other than the accountant, reviews and signs off on the bank reconciliations.

Management's Response: As stated above, the Village has implemented a procedure whereby a member of management, other than the preparer, reviews and signs off on the bank reconciliations.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

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

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 Village is encouraged to design and implement a comprehensive set of policies and procedures and should consider reaching out to similar local governments with similar operations to obtain a model from which to follow.

Management's Response: The Village Council and management are aware of the need for policies and procedures. The Village is in search of a Finance Director who will in part be responsible for timely reconciliations as well as formulating adequate policies and procedures.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

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

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: Management believes this shortfall is due to the lack of a Finance Director with the authority oversee and delegate duties, ensuring the Ambulance Receivables are being reconciled timely.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

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

2014-001 PRIOR PERIOD ADJUSTMENTS (Material Weakness)

Condition: The Village's internal control structure over capital asset accounting is inadequate. Several prior period adjustments were required to correct the Village's June 30, 2013 ending financial account balances for capital assets and related depreciation, as well as long term accounts receivable. The Village did not maintain proper oversight or monitoring with respect to those activities. The following prior period adjustments were needed to properly state the net position:

- Infrastructure and other assets in the amount of \$20,969,226 had not been properly capitalized at the time they were placed in service and the related depreciation was not expensed in the related periods.
- Long term receivables related to Special Assessments in the amount of \$1,367,599 were not properly accounted for in the government wide financial

Criteria: NMSA 6-5-2 C states Entities shall implement internal accounting controls designed to prevent accounting errors. Good internal controls include the monitoring and oversight of capital assets through the use of periodic physical inventories (required every year for local governments per section 12-6-10 NMSA, 1978), as well as evaluation of when capital projects are completed and the capitalization of such projects in the financial statements.

Effect: The prior year financial statements were understated by approximately \$22,226,825 as a result of the aforementioned assets not being included in the financial statements.

Cause: The Village did not monitor the activity in the capital assets sufficiently to enable it to capture all of the transactions that were required to be included in the financial statements.

Recommendation: The Village should designate an individual with the appropriate skillsets to monitor and track all capital assets in its custody to insure that the asset listings are current, accurate, and properly capitalized, as required.

Management's Response: There were at least two Finance Directors, and multiple consultants during the period the unrecorded assets were acquired, likely resulting in the inconsistencies and oversights surrounding the deficiencies relative to Capital Assets. The Chief Procurement Officer will be working closely with Finance to ensure all assets are recorded and the general ledger records reconcile to timely inventories.

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

B – AUDIT FINDINGS IN RELATION TO FEDERAL AWARDS

None

**VILLAGE OF ANGEL FIRE, NEW MEXICO
SUMMARY OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

STATUS OF PRIOR YEAR FINDINGS

2003-001 Due date of audit report – Repeated and Modified
2003-004 Inadequate segregation of duties – Repeated and Modified
2003-006 Budget overages – Repeated and Modified
2007-003 Journal entry process – Repeated and Modified
2007-002 Unlocated accounting records – Resolved
2007-004 Inadequate accounting records – Repeated and Modified
2008-002 Timeliness of due to/due from reversals – Repeated
2009-001 Unbudgeted activity – Resolved
2009-006 Control environment – Repeated
2011-001 Internal control over cash disbursements – Repeated and Modified
2009-008 SAS-115 – Ineffective oversight of the financial reporting and internal controls – Repeated
2011-002 Bank reconciliation – Repeated and Modified
2011-004 DFA budget variation in accounting records – Resolved
2012-003 Updated Policy and Procedure Manuals – Repeated
2012-004 Monitoring of Ambulance Accounts Receivables – Repeated
2003-009 Utility accounts receivable – Repeated

**VILLAGE OF ANGEL FIRE, NEW MEXICO
EXIT SUMMARY
YEAR ENDED JUNE 30, 2014**

An exit conference was held with the Village on June 8, 2015.

In attendance were:

VILLAGE OF ANGEL FIRE, NEW MEXICO

Barbara Cottam, Mayor
Rick Tafoya, Village Manager
Waverly Bell, Financial Specialist
Amy Muehleisen, Utility Clerk
Debbie Ferrell, Part Time General Ledger Accountant
Fabian Mascarenas , Projects & Grants Coordinator
Terry Cordova, Village Clerk
Chuck Henry, Consultant

AXIOM CPAS AND BUSINESS ADVISORS, LLC

Chris Garner, Managing Partner

PREPARATION OF FINANCIAL STATEMENTS

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