

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE**

**Audited Financial Statements  
and Other Financial Information**

**June 30, 2017**



**AXIOM**

*Certified Public Accountants  
and Business Advisors LLC*

**VILLAGE OF ANGEL FIRE, NEW MEXICO**

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**VILLAGE OF ANGEL FIRE, NEW MEXICO  
OFFICIALS ROSTER  
YEAR ENDED JUNE 30, 2017**

**Village Council**

Barbara Cottam	Mayor (Current)
Chuck Howe	Mayor Pro-Tem
D. Rogers Lanon	Councilor
Steve Larson	Councilor
Bill Humbert	Councilor

**Village Officials**

Richard Tafoya	Village Manager
Terry Cordova	Village Clerk

## INDEPENDENT AUDITOR'S REPORT

To Mr. Wayne Johnson  
New Mexico State Auditor  
and the Village of Angel Fire Council Members  
of the Village of Angel Fire

### 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 comparison for the general fund of the Village of Angel Fire, New Mexico (the Village), as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Village's basic financial statements 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.

### **Opinions**

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the general fund, and the aggregate remaining fund information of the Village, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As discussed in Note 15 to the financial statements, Village unearned revenue and understated property tax revenue during the fiscal year ended June 30, 2017. The beginning balance of net position and fund balance of Village have been restated for the correction of this misstatement. Our opinion is not modified with respect to this matter.

### **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.

Accounting principles generally accepted in the United States of America require that the Schedule of the Village's Proportionate Share of the Net Pension Liability, and the Schedule of the Village's Contributions on pages 47-51, respectively, be presented to supplement the basic financial statements. Such information, although not a part 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the Village's financial statements that collectively comprise the village's basic financial statements. The combined and individual non-major fund financial statements, and other schedule as required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combined and individual non-major fund financial statements and the other schedules required by Section 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 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.



Albuquerque, New Mexico  
December 15, 2017

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 5,227,943	1,418,449	6,646,392
Receivables:			
Taxes	833,359	6,736	840,095
Receivables from external parties	57,263	-	57,263
Accounts receivable, net of allowance	20,224	831,129	851,353
Inventories	41,097	52,804	93,901
Due from other governments	88,157	7,913	96,070
Notes receivable	-	1,059,105	1,059,105
Capital assets, net of accumulated depreciation	29,505,462	10,071,867	39,577,329
<i>Total assets</i>	<u>35,773,505</u>	<u>13,448,003</u>	<u>49,221,508</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	1,281,395	407,406	1,688,801
Total deferred outflows of resources	<u>1,281,395</u>	<u>407,406</u>	<u>1,688,801</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	37,754	43,048	80,802
Accrued payroll liabilities	52,706	61,974	114,680
Due to other external parties	3,061	178,306	181,367
Interest payable	57,278	56,761	114,039
Deposits payable	3,200	75,137	78,337
Current portion of compensated absences	125,522	39,250	164,772
Current portion of long-term debt	1,227,663	192,619	1,420,282
Total Current Liabilities	<u>1,507,184</u>	<u>647,095</u>	<u>2,154,279</u>
Non-Current Liabilities			
Net pension liability	3,712,767	1,180,436	4,893,203
Noncurrent portion of long-term debt	5,649,032	6,926,141	12,575,173
<i>Total liabilities</i>	<u>10,868,983</u>	<u>8,753,672</u>	<u>19,622,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	93,682	29,785	123,467
Total deferred inflows of resources	<u>93,682</u>	<u>29,785</u>	<u>123,467</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,628,767	2,953,107	25,581,874
Restricted for:			
Special revenues	1,579,286	-	1,579,286
Capital projects	1,972,473	-	1,972,473
Debt service	757,421	-	757,421
Unrestricted	(845,712)	2,118,845	1,273,133
<i>Total net position</i>	<u>\$ 26,092,235</u>	<u>5,071,952</u>	<u>31,164,187</u>

See Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Operating		Capital	Governmental Activities	Business Type Activities	Total
		Charges for Service	Grants and Contributions	Grants and Contributions			
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,180,617	144,335	101,999	1,449	(2,932,834)	-	(2,932,834)
Public safety	1,193,977	120,861	454,435	-	(618,681)	-	(618,681)
Economic and physical development	274,688	4,765	-	-	(269,923)	-	(269,923)
Highways and streets	876,139	35,146	-	-	(840,993)	-	(840,993)
Culture and recreation	216,719	139,188	-	-	(77,531)	-	(77,531)
Planning	575,102	-	-	-	(575,102)	-	(575,102)
Interest relating to long-term debt	448,115	-	-	-	(448,115)	-	(448,115)
Total governmental activities	<u>6,765,357</u>	<u>444,295</u>	<u>556,434</u>	<u>1,449</u>	<u>(5,763,179)</u>	<u>-</u>	<u>(5,763,179)</u>
Business-type activities:							
Utility	1,701,021	1,989,329	-	-	-	288,308	288,308
Solid Waste	1,029,822	1,190,514	-	-	-	160,692	160,692
Non Major Proprietary	201,402	179,428	-	-	-	(21,974)	(21,974)
Total business-type activities	<u>2,932,245</u>	<u>3,359,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,026</u>	<u>(5,336,153)</u>
Total primary government	<u>\$ 9,697,602</u>	<u>3,803,566</u>	<u>556,434</u>	<u>1,449</u>	<u>(5,763,179)</u>	<u>427,026</u>	<u>(11,099,332)</u>
General revenues							
Taxes:							
Franchise					101,076	-	101,076
Gasoline					40,483	-	40,483
Gross receipts					2,568,062	49,125	2,617,187
Property					2,541,614	-	2,541,614
Lodgers					308,557	-	308,557
Miscellaneous					63,969	51,604	115,573
Gain on sale of capital assets					-	40,000	40,000
Interest					16,417	(208,830)	(192,413)
<b>Total general revenues</b>					<u>5,640,178</u>	<u>(68,101)</u>	<u>5,572,077</u>
<b>Transfers in/out</b>					1,840,152	(1,840,152)	-
<b>Change in net position</b>					<u>1,717,151</u>	<u>(1,481,227)</u>	<u>235,924</u>
<b>NET POSITION, BEGINNING AS PREVIOUSLY REPORTED</b>					<u>26,001,021</u>	<u>5,307,817</u>	<u>31,308,838</u>
<b>TRANSFER IN/OUT OF NET POSITION (NOTE 16)</b>					(1,245,362)	1,245,362	-
<b>RESTATEMENT (NOTE 15)</b>					<u>(380,575)</u>	<u>-</u>	<u>(380,575)</u>
<b>NET POSITION, BEGINNING AS RESTATED</b>					<u>24,375,084</u>	<u>6,553,179</u>	<u>30,928,263</u>
<b>NET POSITION, ENDING</b>					<u>\$ 26,092,235</u>	<u>5,071,952</u>	<u>31,164,187</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	General Fund 101	Debt Service 402	Go Bond 301	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 1,524,337	832,823	1,795,006	1,075,777	5,227,943
Receivables:					
Taxes	804,420	-	-	28,939	833,359
Receivables from external parties	-	-	-	57,263	57,263
Accounts receivable, net allowance	20,224	-	-	-	20,224
Inventories	41,097	-	-	-	41,097
Due from other governments	88,157	-	-	-	88,157
Due from other funds	305,283	138,216	-	246,619	690,118
<i>Total assets</i>	<u>\$ 2,783,518</u>	<u>971,039</u>	<u>1,795,006</u>	<u>1,408,598</u>	<u>6,958,161</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<i>Liabilities:</i>					
Accounts payable	\$ 27,954		-	9,800	37,754
Accrued payroll liabilities	49,819	-	-	2,887	52,706
Deposits payable	3,200	-	-	-	3,200
Due to other external parties	3,061	-	-	-	3,061
Due to other funds	450,158	213,618	-	26,342	690,118
<i>Total liabilities</i>	<u>534,192</u>	<u>213,618</u>	<u>-</u>	<u>39,029</u>	<u>786,839</u>
<b>DEFERRED INFLOWS</b>					
Property taxes	241,529	-	-	-	241,529
<i>Total deferred inflows</i>	<u>241,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,529</u>
<i>Fund Balance:</i>					
Restricted for:					
Special revenue funds	387,184	-	-	1,192,102	1,579,286
Capital projects funds	-	-	1,795,006	177,467	1,972,473
Debt service	-	757,421	-	-	757,421
Unassigned for:					
General fund	1,620,613	-	-	-	1,620,613
<i>Total fund balance (deficit)</i>	<u>2,007,797</u>	<u>757,421</u>	<u>1,795,006</u>	<u>1,369,569</u>	<u>5,929,793</u>
<i>Total liabilities, deferred inflows and fund balance</i>	<u>\$ 2,783,518</u>	<u>971,039</u>	<u>1,795,006</u>	<u>1,408,598</u>	<u>6,958,161</u>

See Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>Governmental Activities</u>
<b>Total Fund Balance Ggovernmental Funds</b>	
<b>Governmental Funds Balance</b>	\$ 5,929,793
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	
Cost of capital assets	47,293,743
Accumulated depreciation	<u>(17,788,281)</u>
<b>Total Capital Assets</b>	29,505,462
Some revenues will not be available to pay for current period expenditures and, therefore, are recorded as deferred inflows in the governmental funds:	241,529
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds	1,281,395
Defined benefit pension plan deferred inflows are not due and payable in the current period and therefore, are not reported in the funds	(93,682)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and accordingly are not reported in the funds:</p>	
Accrued interest expense	(57,278)
Notes payable	(6,876,695)
Net pension liability	(3,712,767)
Compensated absences	<u>(125,522)</u>
	<u>(10,772,262)</u>
<b>Total net position of governmental activities</b>	\$ <u><u>26,092,235</u></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, 2017**

	General Fund 101	Debt Service 402	Go Bond 301	Non Major Governmental Funds	Total Governmental Funds
<i>Revenues:</i>					
Taxes	\$ 5,011,797	-	-	406,436	5,418,233
Licenses, permits, fees and fines	145,370	-	-	9,089	154,459
Charges for services	144,335	-	-	299,960	444,295
Intergovernmental - state sources	101,999	-	-	454,435	556,434
Contributions and donations	1,082	-	-	367	1,449
Investment earnings	8,586	600	5,338	1,893	16,417
Miscellaneous	59,840	-	-	4,129	63,969
<i>Total revenues</i>	<u>5,473,009</u>	<u>600</u>	<u>5,338</u>	<u>1,176,309</u>	<u>6,655,256</u>
<i>Expenditures:</i>					
Current					
General government	1,240,817	7,880	-	114,022	1,362,719
Public safety	921,296	-	-	262,106	1,183,402
Economic and physical development	101,761	-	-	170,369	272,130
Highways and streets	833,625	-	-	30,713	864,338
Culture and recreation	180,472	-	-	8,247	188,719
Planning	404,221	60,549	110,332	-	575,102
Capital outlay	402,333	-	-	63,107	465,440
Debt service					
Principal	-	2,250,133	-	-	2,250,133
Interest and administrative fees	-	434,249	-	-	434,249
<i>Total expenditures</i>	<u>4,084,525</u>	<u>2,752,811</u>	<u>110,332</u>	<u>648,564</u>	<u>7,596,232</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,388,484</u>	<u>(2,752,211)</u>	<u>(104,994)</u>	<u>527,745</u>	<u>(940,976)</u>
<i>Other financing sources (uses):</i>					
Transfers in	2,958	8,647,680	-	4,927	8,655,565
Transfers out	(1,537,006)	(5,067,023)	-	(211,384)	(6,815,413)
Sale of capital assets	32,020	-	-	-	32,020
Proceeds from issuance of debt	-	-	1,900,000	-	1,900,000
<i>Total other financing sources (uses)</i>	<u>(1,502,028)</u>	<u>3,580,657</u>	<u>1,900,000</u>	<u>(206,457)</u>	<u>3,772,172</u>
<i>Net change in fund balances</i>	<u>(113,544)</u>	<u>828,446</u>	<u>1,795,006</u>	<u>321,288</u>	<u>2,831,196</u>
<i>Fund balances, beginning as previously reported</i>	<u>1,935,709</u>	<u>(71,025)</u>	<u>-</u>	<u>1,165,074</u>	<u>3,029,758</u>
<i>Restatement (Note 15)</i>	185,632	-	-	-	185,632
<i>Transfer (Note 16)</i>	-	-	-	(116,793)	(116,793)
<i>Fund balances, beginning as restated</i>	<u>2,121,341</u>	<u>(71,025)</u>	<u>-</u>	<u>1,048,281</u>	<u>3,098,597</u>
<i>Fund balances(deficits) - end of year</i>	<u>\$ 2,007,797</u>	<u>757,421</u>	<u>1,795,006</u>	<u>1,369,569</u>	<u>5,929,793</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 - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

**Net Change in Fund Balances - Total Governmental Funds  
(Statement of Revenue, Expenditures, and Changes  
in Fund Balances)** \$ 2,831,196

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

Governmental funds report capital outlays as expenditures, However, in the statement of activities, the cost of certain capital outlays is allocated over the estimated useful lives of the assets acquired and reported as depreciation expense. As a result, fund balance decreased by the amount of financial resources expended, whereas net position decreased by the amount of depreciation expense charged for the year:

Capital expenditures	465,440	
Gain on sale of land	(32,020)	
Depreciation expense	<u>(1,641,871)</u>	(1,208,451)

Issuance of debt provides financial resources to governmental funds, but the issuance increases long

Loan payable		(1,900,000)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes receivable		(12,900)
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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:

Change in accrued interest payable	(13,866)	
Change in net pension liability	(253,701)	
Change compensated absences	24,740	
Change in notes payable	<u>2,250,133</u>	2,007,306

**Change in net position of governmental activities** \$ 1,717,151

*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 (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ 4,083,552	\$ 4,876,242	\$ 5,011,797	\$ 135,555
Licenses, permits, fees & fines	95,703	95,703	145,370	49,667
Charges for services	111,825	120,615	144,335	23,720
Intergovernmental - state sources	177,375	177,375	101,999	(75,376)
Contributions and donations	-	-	1,082	1,082
Investment earnings	2,879	2,879	8,586	5,707
Other	45,052	227,762	59,840	(167,922)
<i>Total revenues</i>	<u>4,516,386</u>	<u>5,500,576</u>	<u>5,473,009</u>	<u>(27,567)</u>
<i>Expenditures:</i>				
General government	1,505,941	1,441,409	1,240,817	200,592
Public safety	1,336,352	1,239,850	921,296	318,554
Economic and physical development	128,909	118,509	101,761	16,748
Highways and streets	1,170,042	1,401,132	833,625	567,507
Culture and recreation	223,530	225,901	180,472	45,429
Planning	-	-	404,221	(404,221)
Capital outlay	283,294	310,698	402,333	(91,635)
<i>Total expenditures</i>	<u>4,648,068</u>	<u>4,737,499</u>	<u>4,084,525</u>	<u>652,974</u>
<i>Other financing sources (uses):</i>				
Transfers in	529,247	529,247	2,958	(526,289)
Transfers out	(1,179,252)	(2,233,605)	(1,537,006)	696,599
Sale of capital assets	-	-	32,020	32,020
<i>Total other financing sources (uses)</i>	<u>(650,005)</u>	<u>(1,704,358)</u>	<u>(1,502,028)</u>	<u>202,330</u>
<i>Net change in fund balances</i>	\$ <u>(781,687)</u>	\$ <u>(941,281)</u>	<u>(113,544)</u>	\$ <u>(478,211)</u>

See Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF NET POSITION-PROPRIETARY FUNDS  
JUNE 30, 2017

	Business Type Activites Enterprise Funds			
	Utility 501	Solid Waste 504	Non Major Proprietary Funds	Total
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and investments	\$ 943,430	469,247	5,772	1,418,449
Receivables:				
Accounts receivable, net of allowance	641,872	189,257	-	831,129
Notes receivable	-	48,941	1,010,164	1,059,105
Taxes receivable	-	6,736	-	6,736
Inventory	41,519	11,285	-	52,804
Due from other governments	-	7,913	-	7,913
Due from other funds	275,038	176,540	-	451,578
<i>Total current assets</i>	<u>1,901,859</u>	<u>909,919</u>	<u>1,015,936</u>	<u>3,827,714</u>
Capital assets:				
Land and water rights	5,163,360	64,219	-	5,227,579
Buildings	15,742,239	1,397,595	-	17,139,834
Machinery and equipment	288,191	1,821,717	-	2,109,908
Less accumulated depreciation	(12,732,352)	(1,779,357)	-	(14,511,709)
Construction in progress	106,255	-	-	106,255
Total capital assets, net of accumulated depreciation	<u>8,567,693</u>	<u>1,504,174</u>	<u>-</u>	<u>10,071,867</u>
Total assets	<u>10,469,552</u>	<u>2,414,093</u>	<u>1,015,936</u>	<u>13,899,581</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	223,040	184,366	-	407,406
Total deferred outflows of resources	<u>223,040</u>	<u>184,366</u>	<u>-</u>	<u>407,406</u>
<b>LIABILITIES</b>				
<i>Current liabilities:</i>				
Accounts payable	14,087	28,842	119	43,048
Accrued expenses	56,325	5,649	-	61,974
Due to other funds	318,987	121,591	11,000	451,578
Due to other governments	157,712	20,594	-	178,306
Interest payable	53,783	2,978	-	56,761
Deposits payable	73,327	1,810	-	75,137
Compensated absences current	17,415	21,835	-	39,250
Loans payable-current	65,000	127,619	-	192,619
<i>Total current liabilities</i>	<u>756,636</u>	<u>330,918</u>	<u>11,119</u>	<u>1,098,673</u>
<i>Noncurrent liabilities</i>				
Loans payable	6,665,275	260,866	-	6,926,141
Net pension liability	646,245	534,191	-	1,180,436
<i>Total noncurrent liabilities</i>	<u>7,311,520</u>	<u>795,057</u>	<u>-</u>	<u>8,106,577</u>
Total liabilities	<u>8,068,156</u>	<u>1,125,975</u>	<u>11,119</u>	<u>9,205,250</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	16,306	13,479	-	29,785
Total deferred inflows of resources	<u>16,306</u>	<u>13,479</u>	<u>-</u>	<u>29,785</u>
<b>NET POSITION</b>				
Nonspendable-inventory	41,519	11,285	-	52,804
Net investment in capital assets	1,837,418	1,115,689	-	2,953,107
Unrestricted	729,193	332,031	1,004,817	2,066,041
Total net postion	<u>\$ 2,608,130</u>	<u>1,459,005</u>	<u>1,004,817</u>	<u>5,071,952</u>

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, 2017

	Business Type Activites			
	Enterprise Funds			
	Utility 501	Solid Waste 504	Non Major Funds	Total
<i>Operating Revenues:</i>				
Sales and Services	\$ 1,989,329	1,160,514	7,670	3,157,513
Intergovernmental-State Operating	-	30,000	-	30,000
Special Assessments	-	-	171,758	171,758
<b>Total operating revenues</b>	<b>1,989,329</b>	<b>1,190,514</b>	<b>179,428</b>	<b>3,359,271</b>
<i>Operating Expenses:</i>				
Operating expenses	1,205,313	901,800	201,402	2,308,515
Depreciation	495,708	128,022	-	623,730
<b>Total operating expenses</b>	<b>1,701,021</b>	<b>1,029,822</b>	<b>201,402</b>	<b>2,932,245</b>
<i>Operating (loss) income</i>	<b>288,308</b>	<b>160,692</b>	<b>(21,974)</b>	<b>427,026</b>
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax	-	49,125	-	49,125
Earnings on investments	6,624	2,329	-	8,953
Miscellaneous revenues	29,520	22,084	-	51,604
Transfers in/(out)	(1,619,884)	(1,697)	(218,571)	(1,840,152)
Gain on sale of capital assets	-	40,000	-	40,000
Interest expense	(197,908)	(19,875)	-	(217,783)
<i>Total non-operating revenues (expenses)</i>	<b>(1,781,648)</b>	<b>91,966</b>	<b>(218,571)</b>	<b>(1,908,253)</b>
<b>Change in net position</b>	<b>(1,493,340)</b>	<b>252,658</b>	<b>(240,545)</b>	<b>(1,481,227)</b>
<i>Transfer net position (Note 16)</i>	-	-	1,245,362	1,245,362
<i>Net position, beginning of year</i>	4,101,470	1,206,347	-	5,307,817
<b>Net position, end of year</b>	<b>\$ 2,608,130</b>	<b>1,459,005</b>	<b>1,004,817</b>	<b>5,071,952</b>

See Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

	Business Type Activities			Total
	Enterprise Funds			
	Utility Fund	Solid Waste Fund	Non Major Funds	
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 1,930,211	1,180,052	303,050	3,413,313
Cash payments to vendors and employees	(1,256,873)	(768,404)	(201,283)	(2,226,560)
<b>Net cash provided by operating activities</b>	<u>673,338</u>	<u>411,648</u>	<u>101,767</u>	<u>1,186,753</u>
<b>Cash Flows From Non-Capital Financing</b>				
Gross receipts tax revenue	-	49,125	-	49,125
Due to others	-	(7,913)	-	(7,913)
Interfund balances	(1,619,884)	110,905	(218,571)	(1,727,550)
Miscellaneous	29,520	22,084	-	51,604
Interest expense	-	(19,875)	-	(19,875)
Interest earnings	6,624	2,329	-	8,953
<b>Net cash (used) provided by non-capital financing activities</b>	<u>(1,583,740)</u>	<u>156,655</u>	<u>(218,571)</u>	<u>(1,645,656)</u>
<b>Cash Flows From Capital and Related</b>				
Purchase of capital assets	(315,610)	(383,826)	-	(699,436)
Gain on disposal of capital assets	-	40,000	-	40,000
Principal payment on bonds	(4,703,580)	-	-	(4,703,580)
Proceeds from Loans	6,730,275	(121,446)	-	6,608,829
Principal proceeds from SAD	(197,908)	-	118,405	(79,503)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>1,513,177</u>	<u>(465,272)</u>	<u>118,405</u>	<u>1,166,310</u>
Net increase in cash and cash equivalents	602,775	103,031	1,601	707,407
Cash and cash equivalents, beginning of year	340,655	366,216	4,171	711,042
<b>Cash and cash equivalents, end of year</b>	<u>\$ 943,430</u>	<u>469,247</u>	<u>5,772</u>	<u>1,418,449</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	\$ 288,308	160,692	(21,974)	427,026
Noncash items				
Depreciation expense	495,708	128,022	-	623,730
PERA Pension plan expense proportion	26,200	116,996	-	143,196
Adjustments to operating income				
Accounts receivable	(59,118)	32,331	112,622	85,835
Inventory	27,017	-	-	27,017
Accounts payable	(11,822)	14,283	119	2,580
Meter deposit	7,265	-	-	7,265
Accrued liabilities	(12,987)	1,522	-	(11,465)
Due to/from other governments	187,806	(4,551)	-	183,255
Interfund balances	(275,038)	(42,793)	11,000	(306,831)
Compensated absences	(1)	5,146	-	5,145
<b>Net cash provided by operating activities</b>	<u>\$ 673,338</u>	<u>411,648</u>	<u>101,767</u>	<u>1,186,753</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2017

	Balance <u>June 30, 2017</u>
<b>ASSETS</b>	
Cash on deposit	\$ <u>15,321</u>
<i>Total assets</i>	<u>\$ 15,321</u>
<b>LIABILITIES</b>	
Amount due to individuals (for release bonds)	\$ 13,196
Due to other funds	<u>2,125</u>
<i>Total liabilities</i>	<u>\$ 15,321</u>

See Notes to Financial Statements

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

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.

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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, 2017.

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 Village has elected not to follow subsequent private-sector guidance.

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

When both restricted and unrestricted resources are available for use, it is the Village'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 Village remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty and interest 30 days after the date on which they are due.

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

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

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

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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

**2017 Series General Obligation Bond** – Bond Fund has been established to track expenditures for the purpose rebuilding and repairs to the water/water sewer system and the roads.

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 major;

**Utility** – to account for the provision of water and 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. Financing is provided through charges to customers for service.

**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.

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.

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**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 Utility 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 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

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**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):

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

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 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.

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other Interfund transfers are reported as operating transfers. All Interfund activity has been eliminated at the government wide level.



**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**Net Position**

Net Position represent the difference between assets and liabilities. Net investment in capital assets, 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 are reported as restricted when there are limitation 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 “net investment in capital assets” are included in unrestricted net position.

According to the New Mexico State Statue and the New Mexico Department of Finance and Administrative (DFA), the Village is required to reverse 1/12<sup>th</sup> of the general funds budgeted expenditures for subsequent year expenditures.

**Cash Flows**

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

**Budgetary Information**

Actual amounts on the budgetary basis are prepared on the GAAP basis of accounting, which recognizes revenues when earned and expenditures when incurred. Annual budgets are adopted for the general, special revenue, capital projects and enterprise funds. The Village follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to June, the Village Administrator submits to the Village Council a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them based on previous years’ history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of a resolution.
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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**D. Reclassifications**

Certain reclassifications of capital assets have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

**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 65.

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 64 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, 2017, the State Treasurer Local Government Investment Pool (LGIP) was rated by Standard's & Poor's as AAAm. At June 30, 2017, the Village had \$237,446 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.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**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](http://www.nmsto.gov). As of June 30, 2017, the LGIP had a credit risk rating of AAA and a WAM(R) of 58 days and a WAM(F) of 106 days.

**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, 2017:

<u>Accounts Receivable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
<b>Accounts Receivable - Customers</b>	\$ 258,294	\$ 2,365,494	\$ 2,623,788
Less Allowance for uncollectible	<u>(238,070)</u>	<u>(1,534,365)</u>	<u>(1,772,435)</u>
<b>Net Accounts Receivables</b>	20,224	831,129	851,353
<b>Intergovernmental:</b>			
Wildland Fires	30,000	-	30,000
NM Clean and Beautiful	2,500	-	2,500
Capital Projects – 312	1,433	-	1,433
Sports & Recreation	9,960	-	9,960
Public Safety Building	<u>13,370</u>	<u>-</u>	<u>13,370</u>
<b>Total Intergovernmental Rec.</b>	57,263	-	57,263
<b>Notes Receivable:</b>	-	1,059,105	1,059,105
<b>Taxes Receivable:</b>			
Property Tax	419,056	-	419,056
Gross Receipts Tax	337,993	6,736	344,729
Franchise Tax	41,201	-	41,201
Lodgers Tax	24,958	-	24,958
Motor Vehicle	3,981	-	3,981
Gas Taxes	<u>6,170</u>	<u>-</u>	<u>6,170</u>
<b>Total Taxes Receivable</b>	<u>833,359</u>	<u>6,736</u>	<u>840,095</u>
<b>Total Accounts Receivable</b>	<u>\$ 910,846</u>	<u>1,896,970</u>	<u>2,807,816</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**  
**JUNE 30, 2017**

**NOTE 4 – CAPITAL ASSETS**

Capital Asset activity for the year was as follows:

<u>Governmental Activities</u>	Beginning Balance (As Restated)	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 689,750	-	(32,020)	-	657,730
Land – right of way	2,622,459	-	-	-	2,622,459
Construction in progress	31,628	-	-	(31,628)	-
Water Rights	750,000	-	-	-	750,000
Total capital assets not being depreciated	4,093,837	-	(32,020)	(31,628)	4,030,189
Capital assets being depreciated:					
Buildings	2,268,385	-	-	31,628	2,300,013
Software	194,728	-	-	-	194,728
Vehicles	2,466,090	260,958	-	-	2,727,048
Capital lease vehicles	111,380	-	-	-	111,380
Sports complex	1,730,321	-	-	-	1,730,321
Machinery and equipment	500,307	204,482	-	-	704,789
Infrastructure	35,495,274	-	-	-	35,495,274
Total capital assets being depreciated	42,766,485	465,440	-	31,628	43,263,553
Less accumulated depreciation for:					
Buildings	(1,276,870)	(107,012)	-	-	(1,383,882)
Software	(186,949)	(2,666)	-	-	(189,615)
Vehicles	(2,099,132)	(157,470)	-	-	(2,256,602)
Capital lease vehicles	(111,380)	-	-	-	(111,380)
Sports complex	(461,419)	(115,355)	-	-	(576,774)
Machinery and equipment	(372,021)	(43,682)	-	-	(415,703)
Infrastructure	(11,638,638)	(1,215,686)	-	-	(12,854,324)
Total accumulated depreciation	(16,146,409)	(1,641,871)	-	-	(17,788,280)
Total capital assets being depreciated, net	26,620,076	(1,176,431)	-	-	25,475,273
Governmental activities capital assets, net	\$ 30,713,913	(1,176,431)	(32,020)	-	29,505,462

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclass</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 860,331	117,248	-	-	977,579
Construction in progress	106,255	-	-	-	106,255
Water rights	4,250,000	-	-	-	4,250,000
Total capital assets not being depreciated	5,216,586	117,248	-	-	5,333,834
Capital assets being depreciated:					
Plant and system	16,958,707	183,387	-	(2,260)	17,139,834
Machinery and Equipment	1,235,351	-	(135,086)	(234,900)	865,365
Vehicles	608,580	398,803	-	237,160	1,244,543
Total capital assets being depreciated	18,802,638	582,190	(135,086)	-	19,249,742
Total capital assets	24,019,224	699,438	(135,086)	-	24,538,576
Less accumulated depreciation for:					
Plant and system	(12,593,097)	(490,839)	-	-	(13,083,936)
Equipment	(821,136)	(24,304)	135,086	(78,532)	(788,886)
Vehicles	(608,832)	(108,587)	-	78,532	(638,887)
Total accumulated depreciation	(14,023,065)	(623,730)	135,086	-	(14,511,709)
Total capital assets being depreciated, net	4,779,573	(41,540)	-	-	4,738,033
Business-type activities capital assets, net	\$ 9,996,159	75,708	-	-	10,071,867

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

<b>Governmental activities:</b>	
General government	\$ (1,599,790)
Public safety	(7,431)
Highway and streets	(1,087)
Culture and recreation	(5,563)
Economic and physical development	(28,000)
Total depreciation expense	\$ <u>(1,641,871)</u>
<b>Business-type activities:</b>	
Utility	\$ (495,708)
Solid Waste	(128,022)
Total depreciation expense	\$ <u>(623,730)</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 – LONG-TERM OBLIGATIONS—GOVERNMENTAL ACTIVITIES**

During the year ended June 30, 2017, 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	\$ 3,584,305	\$ -	(237,277)	3,347,028	187,839
Bonds Payable	3,652,523	1,900,000	(2,022,856)	3,529,667	1,039,824
Compensated Absences	150,262	130,529	(155,269)	125,522	125,522
<b>Total</b>	<b>\$ 7,387,090</b>	<b>\$ 2,030,529</b>	<b>(2,415,402)</b>	<b>7,002,217</b>	<b>1,353,185</b>

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 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 loan was paid off during fiscal year 2017.

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>
2018	\$ 32,000	\$ 20,698	\$ 52,698
2019	33,000	19,338	52,338
2020	35,000	17,935	52,935
2021	36,000	16,448	52,448
2022	38,000	14,918	52,918
2023-2027	214,000	49,089	263,089
2028-2029	99,000	6,376	105,376
<b>Totals</b>	<b>\$ 487,000</b>	<b>\$ 144,802</b>	<b>\$ 631,802</b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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>
2018	\$ 5,000	\$ 3,510	\$ 8,510
2019	5,000	3,285	8,285
2020	5,000	3,060	8,060
2021	6,000	2,835	8,835
2022	6,000	2,565	8,565
2023-2027	33,000	8,640	41,640
2028-2029	18,000	1,260	19,260
<b>Totals</b>	<b>\$ 78,000</b>	<b>\$ 25,155</b>	<b>\$ 103,155</b>

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 future requirements for the loan are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 62,110	\$ 27,142	\$ 89,252
2019	64,017	25,235	89,252
2020	66,072	23,180	89,252
2021	64,109	20,900	85,009
2022	67,080	18,554	85,634
2023-2027	380,001	50,119	430,120
<b>Totals</b>	<b>\$ 703,389</b>	<b>\$ 165,130</b>	<b>\$ 868,519</b>

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>
2018	\$ -	\$ 42,146	\$ 42,146
2019	-	42,146	42,146
2020	-	42,146	42,146
2021	13,481	42,146	55,627
2022	13,359	41,643	55,002
2023-2027	73,344	199,716	273,060
2028-2032	560,687	142,068	702,755
2032-2034	262,220	18,882	281,102
<b>Totals</b>	<b>\$ 923,091</b>	<b>\$ 570,893</b>	<b>\$ 1,493,984</b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

On August 11, 2008, the Village obtained a line of credit with International Bank in the amount of \$500,000, with an interest rate of 5.00% per annum and for unpaid principal balance additional 1.25% floating rate to be applied. At the end of this fiscal year the Village does not have an outstanding balance.

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 \$86,413 during the year and had an outstanding balance of \$1,155,548 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>
2018	\$ 88,729	\$ 41,031	\$ 129,760
2019	91,311	38,449	129,760
2020	94,133	35,628	129,761
2021	97,201	32,559	129,760
2022	100,429	29,332	129,761
2023-2027	558,917	89,885	648,802
2028	124,828	4,931	129,759
<b>Totals</b>	<b>\$ 1,155,548</b>	<b>\$ 271,815</b>	<b>\$ 1,427,363</b>

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 Village made a principal payment of \$14,805 during the year and did not have an outstanding balance at the end of the year.

**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 loan was paid off during fiscal year 2017.

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 bonds were paid off during the fiscal year using the proceeds of the NMFA refunding loan to discharge the Series 2007 Bonds, the Series 1999 Bonds and the Series 1998 Bonds.

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:



**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 141,800	\$ 63,198	\$ 204,998
2019	147,700	57,349	205,049
2020	153,800	51,256	205,056
2021	160,100	44,912	205,012
2022	166,700	38,308	205,008
2023-2027	761,968	82,526	844,494
<b>Totals</b>	<b>\$ 1,532,068</b>	<b>\$ 337,549</b>	<b>\$ 1,869,617</b>

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>
2018	\$ 48,024	\$ 3,227	\$ 51,251
2019	49,575	1,675	51,250
<b>Totals</b>	<b>\$ 97,599</b>	<b>\$ 4,902</b>	<b>\$ 102,501</b>

The Village of Angel Fire has entered into a loan agreement to borrow up to \$1,900,000 from the New Mexico Finance Authority for the rebuilding and repairs to the water/water sewer system and the road. The Village entered into the loan agreement on February 7, 2017.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 850,000	\$ 15,060	\$ 865,060
2019	100,000	23,597	123,597
2020	95,000	22,241	117,241
2021	95,000	20,753	115,753
2022	95,000	19,065	114,065
2023-2027	475,000	63,609	538,609
2028-209	190,000	7,971	197,971
<b>Totals</b>	<b>\$ 1,900,000</b>	<b>\$ 172,296</b>	<b>\$ 2,072,296</b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – LONG-TERM DEBT—BUSINESS TYPE ACTIVITIES**

**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

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	\$ 547,511	\$ 6,730,275	\$ (159,026)	\$ 7,118,760	\$ 192,619
Bonds Payable	4,666,000	-	(4,666,000)	-	-
Compensated Absences	34,105	48,680	(43,535)	39,250	39,250
<b>Total</b>	<u>\$ 5,247,616</u>	<u>\$ 6,778,955</u>	<u>\$ (4,868,561)</u>	<u>\$ 7,158,010</u>	<u>\$ 231,869</u>

**Loans Payable**

The Village is obligated to the New Mexico Finance Authority under certain loans that are accounted for as long-term loans payable. The assets purchased were for the Water Enterprise fund and the Solid Waste transfer station. The 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 transfer station are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 79,619	\$ 15,376	\$ 94,995
2019	83,144	11,860	95,004
2020	86,882	8,131	95,013
2021	90,840	4,182	95,022
<b>Totals</b>	<u>\$ 340,485</u>	<u>\$ 39,549</u>	<u>\$ 380,034</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – LONG-TERM DEBT—BUSINESS TYPE ACTIVITIES**

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>
2018	\$ 48,000	\$ 1,776	\$ 49,776
<b>Totals</b>	<b>\$ 48,000</b>	<b>\$ 1,776</b>	<b>\$ 49,776</b>

The Village is obligated to the New Mexico Finance Authority obtained a new loan for refunding, refinancing, paying and discharging the series 2007 bond, the series 1999 bonds and the series 1998 bonds maturing on an after September 1, 2016, funding Loan agreement reverse account and paying professional fees in the total balance of 6,730,274, with a blending interest rate of 2.6721%.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 65,000	\$ 120,334	\$ 185,334
2019	252,643	142,556	395,199
2020	254,714	140,736	395,450
2021	256,852	138,699	395,551
2022	259,627	136,336	395,963
2023-2027	1,348,958	634,672	1,983,630
2028-2032	1,475,874	514,746	1,990,620
2033-2037	1,682,189	316,190	1,998,379
2038-2040	1,134,418	68,881	1,203,299
<b>Totals</b>	<b>\$ 6,730,275</b>	<b>\$ 2,213,150</b>	<b>\$ 8,943,425</b>

**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 bonds were paid off during the fiscal year using the proceeds of the NMFA refunding loan to discharge the Series 2007 Bonds, the Series 1999 Bonds and the Series 1998 Bonds.

The Village issued \$3,000,000 in Water System and Waste Water System Revenue Bonds, Series 1999, for the purpose of constructing water systems and a waste water system and related facilities. The bonds mature June 2039, and have a stated interest rate of 4.75%. The bonds are secured by the revenue of the Water and Waste Water enterprises. The bonds were paid off during the fiscal year using the proceeds of the NMFA refunding loan to discharge the Series 2007 Bonds, the Series 1999 Bonds and the Series 1998 Bonds.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – INTERFUND BALANCES**

The following are amounts owed between funds and are classified as due from/to other funds at June 30, 2017.

<u>Due From Other Funds</u>	<u>Amount</u>	<u>Due To Other Funds</u>	<u>Amount</u>
<b>Major Governmental Funds:</b>		<b>Major Governmental Funds:</b>	
General Fund	\$ 305,283	General Fund	\$ 450,158
Debt Service Fund	138,216	Debt Service Fund	213,618
<b>Total Major Governmental Funds</b>	<b>\$ 443,499</b>	<b>Total Major Governmental Funds</b>	<b>\$ 663,776</b>
<b>Non Major Governmental Funds:</b>		<b>Non Major Governmental Funds:</b>	
Corrections Fund	\$ 6,470	Corrections Fund	\$ 595
Emergency Protection Fund	5,159	Emergency Protection Fund	-
Wildland Fires Fund		Wildland Fires Fund	9,152
State Fire Protection Fund	133,558	State Fire Protection Fund	14,027
Law Enforcement Protection Fund	129	Law Enforcement Protection Fund	129
Lodgers Tax Fund	-	Lodgers Tax Fund	1,163
New Mexico Clean & Beautiful Fund	28	New Mexico Clean & Beautiful Fund	-
Public Safety Building Fund	39,318	Public Safety Building Fund	-
MAP Grants Fund	56,864	MAP Grants Fund	-
Capital Projects Fund	5,061	Capital Projects Fund	-
Motor Vehicle Fund	32	Motor Vehicle Fund	1,276
<b>Total Non Major Governmental Funds</b>	<b>\$ 246,619</b>	<b>Total Non Major Governmental Funds</b>	<b>\$ 26,342</b>
<b>Enterprise Funds:</b>		<b>Enterprise Funds:</b>	
Utility Fund	\$ 275,038	Utility Fund	\$ 318,987
Solid Waste Fund	176,540	Solid Waste Fund	121,591
HWY Assessment	-	HWY Assessment	11,000
<b>Total Enterprise Funds</b>	<b>\$ 451,578</b>	<b>Total Enterprise Funds</b>	<b>\$ 451,578</b>
<b>Grand Total</b>	<b>\$ 1,141,696</b>	<b>Grand Total</b>	<b>\$ 1,141,696</b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

<b>Major Funds</b>	<b>Transfers In</b>	<b>Transfers Out</b>
<i>Governmental Activities</i>		
General	\$ 2,958	1,537,006
Debt Service	8,647,680	5,067,023
Go Bond	-	-
<i>Business-type Activities</i>		
Utility	5,016,414	6,636,298
Solid Waste	141,707	143,404
<b>Total Major Funds</b>	<u>13,808,759</u>	<u>13,383,731</u>
<b>Non-Major Funds</b>		
<i>Governmental Activities</i>	<u>4,927</u>	<u>211,384</u>
<i>Business type Activities</i>	<u>-</u>	<u>218,571</u>
	<u>\$ 13,813,686</u>	<u>13,813,686</u>

**NOTE 9 – 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  
JUNE 30, 2017**

**NOTE 10 – PENSION PLAN—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan description.** Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

**Benefits Provided.** Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

**Tier II.** The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**Contributions.** See PERA's compressive annual financial report for Contribution provided description.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

**NOTE 10 – PENSION PLAN—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

<b>PERA Contribution Rates and Pension Factors as of July 1, 2016</b>						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per Year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42 %	8.92 %	16.99 %	3.0 %	2.5 %	90 %
Municipal Plan 1 (plan open to new employers)	7.0 %	8.5 %	7.4 %	2.0 %	2.0 %	90 %
Municipal Plan 2 (plan open to new employers)	9.15 %	10.65 %	9.55 %	2.5 %	2.0 %	90 %
Municipal Plan 3 (plan closed to new employers 6/95)	13.15 %	14.65 %	9.55 %	3.0 %	2.5 %	90 %
Municipal Plan 4 (plan closed to new employers 6/00)	15.65 %	17.15 %	12.05 %	3.0 %	2.5 %	90 %
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.90%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** At June 30, 2017, the Village reported a liability of \$4,893,203 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2016. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2016. The Village’s proportion of the net pension liability was based on a projection of the Village’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

***For PERA Fund Division Municipal Plan 3,*** at June 30, 2017, the Village reported a liability of \$3,158,581 for its proportionate share of the net pension liability. At June 30, 2016, the Village’s proportion was 0.1977% percent, which increased 0.0101% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Village recognized PERA Fund Division Municipal Plan 3 pension expense of \$384,624. At June 30, 2017, the Village reported PERA Fund Division Municipal Plan 3 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 157,815	(30,826)
Changes in assumptions	185,214	(525)
Net difference between projected and actual earnings on pension plan investments	581,173	-
Changes in proportion and differences between Village’s contributions and proportionate share of contributions	79,800	(27,476)
Village’s contributions subsequent to the measurement date	<u>170,890</u>	<u>-</u>
Total	\$ <u>1,174,892</u>	<u>(58,827)</u>

The amount of \$170,890 reported as deferred outflows of resources related to pensions resulting from the Village’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

Year ended June 30:	
2018	208,188
2019	208,188
2020	379,421
2021	149,378
Thereafter	-

*For PERA Fund Division Municipal Police Plan 5*, at June 30, 2017, the Village reported a liability of \$690,608 for its proportionate share of the net pension liability. At June 30, 2015, the Village’s proportion was 0.0936% percent, which increased 0.0048% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Village recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$99,617. At June 30, 2017, the Village reported PERA Fund Division Municipal Police Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 50,701	-
Changes in assumptions	45,742	(12,455)
Net difference between projected and actual earnings on pension plan investments	109,224	-
Changes in proportion and differences between Village’s contributions and proportionate share of contributions	16,989	(16,481)
Village’s contributions subsequent to the measurement date	<u>38,627</u>	<u>-</u>
Total	<u>\$ 261,283</u>	<u>(28,936)</u>

The amount of \$38,627 reported as deferred outflows of resources related to pensions resulting from the Village’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

Year ended June 30:

2018	44,226
2019	44,226
2020	76,828
2021	28,440
Thereafter	-

*For PERA Fund Division Municipal Fire Plan 5*, at June 30, 2017, the Village reported a liability of \$1,044,014 for its proportionate share of the net pension liability. At June 30, 2016, the Village’s proportion was 0.1565% percent, which increased 0.0113% from its proportion measured as of June 30, 2015, due to the insignificance of the difference.

For the year ended June 30, 2017, the Village recognized PERA Fund Division Municipal Fire Plan 5 pension expense of \$136,454. At June 30, 2017, the Village reported PERA Fund Division Municipal Fire Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 47,278	-
Changes in assumptions	55,224	-
Net difference between projected and actual earnings on pension plan investments	86,961	-
Changes in proportion and differences between Village’s contributions and proportionate share of contributions	41,451	(35,704)
Village’s contributions subsequent to the measurement date	<u>21,712</u>	<u>-</u>
Total	\$ <u>252,626</u>	<u>(35,704)</u>

The amount of \$21,712 reported as deferred outflows of resources related to pensions resulting from the Village’s contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

Year ended June 30:	
2018	49,881
2019	49,881
2020	71,717
2021	23,731
Thereafter	-

**Actuarial assumptions:** The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level of percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 10 years, then 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 10 years 2.75% all other years
Mortality assumption	RP-2000 Mortality Tables (Combined table for health post-retirements, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA
Experience study dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2016. These assumptions were adopted by the Board use in the June 30, 2015 actuarial valuation.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	43.5%	7.39%
Risk Reduction & Mitigation	21.5%	1.79%
Credit Oriented Fixed Income	15.0%	5.77%
Real Assets	20.0%	7.35%
Total	<u>100.0%</u>	

**Discount rate:** A single discount rate of 7.48% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.48%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the Village’s proportionate share of the net pension liability to changes in the discount rate:** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Village’s net pension liability in each PERA Fund Division that the Village participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage lower (6.75%) or one percentage point higher (8.75%) that the single discount rate.

**PERA Fund Division Municipal Plan 3**

	<b>1% Decrease (6.48%)</b>	<b>Current Discount Rate (7.48%)</b>	<b>1% Increase (8.48%)</b>
Village’s proportionate share of the net pension liability	\$ <u>4,709,163</u>	<u>3,158,581</u>	<u>1,872,450</u>

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10. – PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)**

**PERA Fund Division Municipal Police Plan 5**

	<b>1% Decrease (6.48%)</b>	<b>Current Discount Rate (7.48%)</b>	<b>1% Increase (8.48%)</b>
Village’s proportionate share of the net pension liability	\$ 1,016,056	690,608	424,430

**PERA Fund Division Municipal Fire Plan 5**

	<b>1% Decrease (6.48%)</b>	<b>Current Discount Rate (7.48%)</b>	<b>1% Increase (8.48%)</b>
Village’s proportionate share of the net pension liability	\$ 1,365,565	1,044,014	779,893

**Payables to the pension plan:** The Village accrued \$85,435 in PERA benefits at June 30, 2017 for the pay period beginning June 18, 2017, and ending July 8, 2017.

The Village has decided not to participate in the state Retiree Health Care Fund.

**Plan description:** The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017**

**NOTE 11 – 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 12 – RISK MANAGEMENT**

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

The Village had no significant reductions in insurance coverage from coverage in the prior year. In the fiscal years ended June 30, 2017 and 2016, 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 13 – COMMITMENTS AND CONTINGENCIES**

**Litigation**

The Village is from time to time the defendant in various lawsuits. For fiscal year end June 30, 2017, 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, 2017, management estimates that no material liabilities will result from such audits.

**Commitments**

The Village contracts with outside vendors for construction projects. At June 30, 2017, 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, 2017. 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, 2017.

2018	20,088
2019	19,223
<b>Total</b>	<b>\$ <u>39,311</u></b>

**VILLAGE OF ANGEL FIRE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS**

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2017.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

GASB Statement No. 81, Irrevocable Split - Interest Agreements

GASB Statement No. 82, Pension Issues (an Amendment of GASB Statements No. 67, No. 68, and No. 73)

GASB Statement No. 83, Certain Asset Retirement Obligations

GASB Statement No. 84, Fiduciary Activities

GASB Statement No. 85, Omnibus

GASB Statement No. 86, Certain Debt Extinguishment Issues

GASB Statement No. 87, Leases

The Village will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The Department believes that the new GASB pronouncements listed above will not have a significant financial impact to the Department or in issuing its financial statements.

**NOTE 15. – RESTATEMENT OF FINANCIAL STATEMENTS**

The Village has overstated unearned revenue and understated property tax revenue by \$185,632 in the 2016 financial statements. The unearned revenue balance was adjusted to recognize the prior year property tax revenue. The Village reversed the journal entry in the current year, leading to a restatement of 2016 balances. In addition, during our test work over capital assets we noted that the Village has under recognized depreciation expense of \$380,575. As a result the total net position was overstated.

**NOTE 16. – TRANSFER OF FUNDS**

During 2016, two funds were transferred from governmental to business type funds resulting in a transfer of the beginning net position balance. Fund 507 HWY Assessment in the amount of \$113,252 and 510 Allen Fields in the amount of \$3,541. In addition, on the government wide financial, a notes receivable balance of \$1,128,569, was also transferred to fund 507.

**REQUIRED SUPPLEMENTARY INFORMATION**



**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

**Public Employees Retirement Association of New Mexico  
Last Ten Fiscal Years\*  
(Dollars in Thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Statutory required contributions	\$ 215	217	232
Contributions in Relation to the Contractually Required Contribution	215	217	232
Annual contribution deficiency (excess)	\$ -	-	-

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*\*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

**Public Employees Retirement Association of New Mexico  
Last Ten Fiscal Years\*  
(Dollars in Thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Statutory required contributions	\$ 148	143	171
Contributions in Relation to the Contractually Required Contribution	148	143	171
Annual contribution deficiency (excess)	\$ -	-	-

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*\*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

**Public Employees Retirement Association of New Mexico  
Last Ten Fiscal Years\*  
(Dollars in Thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Statutory required contributions	\$ 34	33	39
Contributions in Relation to the Contractually Required Contribution	34	33	39
Annual contribution deficiency (excess)	\$ -	-	-

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*\*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2017**

**Public Employees Retirement Association of New Mexico  
Last Ten Fiscal Years\*  
(Dollars in Thousands)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Statutory required contributions	\$ 38	36	22
Contributions in Relation to the Contractually Required Contribution	38	36	22
Annual contribution deficiency (excess)	\$ -	-	-

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*\*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.*

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF CONTRIBUTIONS  
JUNE 30, 2017**

**Public Employees Retirement Association of New Mexico  
For Last 10 Fiscal Years\*  
(Dollars in Thousands)**

	Fiscal Year Measurement Date	30-Jun		
		2017 2016	2016 2015	2015 2014
Village's Proportion of the Net Pension Liability (Asset)		0.079%	0.070%	0.010%
Village's Proportionate Share of Net Pension Liability (Asset)	\$	4,893	3,089	2,479
Village's Covered-Employee Payroll	\$	2,094	2,064	1,968
Villages's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll		233.67%	149.65%	125.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		69.18%	76.99%	81.29%

\*Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for The Village is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2017**

***Changes of Benefits Terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CAFR. <https://www.saonm.org>

***Changes of Assumptions.*** The Public Employees Retirement Association of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at <http://www.nmpera.org>

**SUPPLEMENTARY INFORMATION**

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NONMAJOR FUND DESCRIPTIONS  
YEAR ENDED JUNE 30, 2017**

**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.

**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.

**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.

**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.

**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.

**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.



**VILLAGE OF ANGEL FIRE, NEW MEXICO  
NONMAJOR FUND DESCRIPTIONS  
YEAR ENDED JUNE 30, 2017**

**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.

**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).

**BUSINESS TYPE**

**Allen Fields 510**

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

**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.

**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 - NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>Special Revenue</u>		
	Corrections Fund 201 & 210	State EMS 206	Wildland Fires 208
<b>ASSETS</b>			
Cash and investments	\$ 26,773	2,304	97,586
Receivables:			
Taxes	-	-	-
Receivables from external parties	-	-	30,000
Due from other funds	6,470	5,159	-
Inventory	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total assets</i>	<u>\$ 33,243</u>	<u>7,463</u>	<u>127,586</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts payable	\$ -	163	-
Accrued payroll liabilities	-	-	234
Due to other funds	595	-	9,152
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total liabilities</i>	<u>595</u>	<u>163</u>	<u>9,386</u>
<i>Fund Balance:</i>			
Restricted for:			
Special revenue funds	32,648	7,300	118,200
Unassigned for:			
Capital projects funds	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total fund balance (deficit)</i>	<u>32,648</u>	<u>7,300</u>	<u>118,200</u>
<i>Total liabilities and fund balance</i>	<u>\$ 33,243</u>	<u>7,463</u>	<u>127,586</u>

See Notes to Financial Statements

**Special Revenue**

State Fire Protection 209	LEPF Fund 211	Lodgers Tax 213	Sports & Recreation 217	NM Clean & Beautiful 230	Motor Vehicle 233	Total Special Revenue Funds
494,572	173	165,337	178,907	-	48,310	1,013,962
-	-	24,958	-	-	3,981	28,939
-	-	-	9,960	2,500	-	42,460
133,558	129	-	-	28	32	145,376
-	-	-	-	-	-	-
<u>628,130</u>	<u>302</u>	<u>190,295</u>	<u>188,867</u>	<u>2,528</u>	<u>52,323</u>	<u>1,230,737</u>
4,374	-	4,869	-	-	-	9,406
-	-	1,146	-	-	1,507	2,887
14,027	129	1,163	-	-	1,276	26,342
<u>18,401</u>	<u>129</u>	<u>7,178</u>	<u>-</u>	<u>-</u>	<u>2,783</u>	<u>38,635</u>
609,729	173	183,117	188,867	2,528	49,540	1,192,102
-	-	-	-	-	-	-
<u>609,729</u>	<u>173</u>	<u>183,117</u>	<u>188,867</u>	<u>2,528</u>	<u>49,540</u>	<u>1,192,102</u>
<u>628,130</u>	<u>302</u>	<u>190,295</u>	<u>188,867</u>	<u>2,528</u>	<u>52,323</u>	<u>1,230,737</u>

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2017

	Capital Projects				
	Public Safety Building 310	Capital Projects 312	MAP Grant 360	Total Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 14,738	45	47,032	61,815	1,075,777
Receivables:					
Taxes	-	-	-	-	28,939
Receivables from external parties	13,370	1,433	-	14,803	57,263
Due from other funds	39,318	5,061	56,864	101,243	246,619
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 67,426</u>	<u>6,539</u>	<u>103,896</u>	<u>177,861</u>	<u>1,408,598</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<i>Liabilities:</i>					
Accounts payable	\$ 394	-	-	394	9,800
Accrued payroll liabilities	-	-	-	-	2,887
Due to other funds	-	-	-	-	26,342
<i>Total liabilities</i>	<u>394</u>	<u>-</u>	<u>-</u>	<u>394</u>	<u>39,029</u>
<i>Fund Balance:</i>					
Restricted for:					
Special revenue funds	-	-	-	-	1,192,102
Unassigned for:					
Capital projects funds	<u>67,032</u>	<u>6,539</u>	<u>103,896</u>	<u>177,467</u>	<u>177,467</u>
<i>Total fund balance (deficit)</i>	<u>67,032</u>	<u>6,539</u>	<u>103,896</u>	<u>177,467</u>	<u>1,369,569</u>
<i>Total liabilities and fund balance</i>	<u>\$ 67,426</u>	<u>6,539</u>	<u>103,896</u>	<u>177,861</u>	<u>1,408,598</u>

See Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>		
	Corrections Fund 201 & 210	State EMS 206	Wildland Fires 208
<i>Revenues:</i>			
Taxes	\$ -	-	-
Licenses, permits, fees and fines	9,089	-	-
Charges for services	-	-	120,861
Intergovernmental - state sources	-	9,927	-
Contributions and donations	-	-	-
Investment earnings	12	-	-
Miscellaneous	-	-	3,943
<i>Total revenues</i>	<u>9,101</u>	<u>9,927</u>	<u>124,804</u>
<i>Expenditures:</i>			
Current			
General government	-	-	6,118
Public safety	450	8,853	78,156
Economic and physical development	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
<i>Total expenditures</i>	<u>450</u>	<u>8,853</u>	<u>84,274</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>8,651</u>	<u>1,074</u>	<u>40,530</u>
<i>Other financing sources (uses):</i>			
Transfers in	-	-	4,927
Transfers out	-	(4,927)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(4,927)</u>	<u>4,927</u>
<i>Net change in fund balances</i>	8,651	(3,853)	45,457
<i>Fund balances (deficits) - beginning of year</i>	<u>23,997</u>	<u>11,153</u>	<u>72,743</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 32,648</u>	<u>7,300</u>	<u>118,200</u>

See Notes to Financial Statements

**Special Revenue**

State Fire Protection 209	LEPF Fund 211	Lodgers Tax 213	Sports & Recreation 217	NM Clean & Beautiful 230	Motor Vehicle 233	Total Special Revenue Funds
-	-	308,557	-	-	-	308,557
-	-	-	-	-	-	9,089
-	-	542	138,646	4,765	35,146	299,960
368,156	22,400	-	-	-	5,425	405,908
-	-	-	-	367	-	367
-	-	-	1,847	-	8	1,867
-	-	-	-	-	186	4,129
<u>368,156</u>	<u>22,400</u>	<u>309,099</u>	<u>140,493</u>	<u>5,132</u>	<u>40,765</u>	<u>1,029,877</u>
102,671	1,700	-	-	-	-	110,489
6,853	5,780	-	-	-	-	100,092
-	-	170,369	-	-	-	170,369
-	-	-	-	-	30,713	30,713
-	-	-	5,248	2,999	-	8,247
63,107	-	-	-	-	-	63,107
<u>172,631</u>	<u>7,480</u>	<u>170,369</u>	<u>5,248</u>	<u>2,999</u>	<u>30,713</u>	<u>483,017</u>
<u>195,525</u>	<u>14,920</u>	<u>138,730</u>	<u>135,245</u>	<u>2,133</u>	<u>10,052</u>	<u>546,860</u>
-	-	-	-	-	-	4,927
(61,750)	(14,947)	-	(129,760)	-	-	(211,384)
<u>(61,750)</u>	<u>(14,947)</u>	<u>-</u>	<u>(129,760)</u>	<u>-</u>	<u>-</u>	<u>(206,457)</u>
133,775	(27)	138,730	5,485	2,133	10,052	340,403
475,954	200	44,387	183,382	395	39,488	851,699
<u>609,729</u>	<u>173</u>	<u>183,117</u>	<u>188,867</u>	<u>2,528</u>	<u>49,540</u>	<u>1,192,102</u>

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Capital Project</u>				
	Public Safety Building 310	Capital Projects 312	COOP/ MAP Grants 360	Total Capital Project Funds	Total Nonmajor Governmental Funds
<i>Revenues:</i>					
Taxes	\$ 97,879	-	-	97,879	406,436
Licenses, permits, fees and fines	-	-	-	-	9,089
Charges for services	-	-	-	-	299,960
Intergovernmental - state sources	-	-	48,527	48,527	454,435
Contributions and donations	-	-	-	-	367
Investment earnings	-	-	26	26	1,893
Miscellaneous	-	-	-	-	4,129
<i>Total revenues</i>	<u>97,879</u>	<u>-</u>	<u>48,553</u>	<u>146,432</u>	<u>1,176,309</u>
<i>Expenditures:</i>					
Current					
General government	-	-	3,533	3,533	114,022
Public safety	149,948	12,066	-	162,014	262,106
Economic and physical development	-	-	-	-	170,369
Highways and streets	-	-	-	-	30,713
Culture and recreation	-	-	-	-	8,247
Capital outlay	-	-	-	-	63,107
<i>Total expenditures</i>	<u>149,948</u>	<u>12,066</u>	<u>3,533</u>	<u>165,547</u>	<u>648,564</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,069)</u>	<u>(12,066)</u>	<u>45,020</u>	<u>(19,115)</u>	<u>527,745</u>
<i>Other financing sources (uses):</i>					
Transfers in	-	-	-	-	4,927
Transfers out	-	-	-	-	(211,384)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,457)</u>
<i>Net change in fund balances</i>	(52,069)	(12,066)	45,020	(19,115)	321,288
<i>Fund balances (deficits) - beginning of year</i>	<u>119,101</u>	<u>18,605</u>	<u>58,876</u>	<u>196,582</u>	<u>1,048,281</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 67,032</u>	<u>6,539</u>	<u>103,896</u>	<u>177,467</u>	<u>1,369,569</u>

See Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF NET POSITION -NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Non Major Proprietary</u>		
	HWY 434 Assessment 507	Allen Fields 510	Total Non Major Proprietary Funds
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and investments	\$ 1,416	4,356	5,772
Receivables:			
Notes Receivable	1,010,164	-	1,010,164
<i>Total assets</i>	<u>1,011,580</u>	<u>4,356</u>	<u>1,015,936</u>
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts payable	-	119	119
Due to other funds	11,000	-	11,000
<i>Total liabilities</i>	<u>11,000</u>	<u>119</u>	<u>11,119</u>
<b>NET POSITION</b>			
Unrestricted	1,000,580	4,237	1,004,817
Total net position	<u>\$ 1,000,580</u>	<u>4,237</u>	<u>1,004,817</u>

See Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET POSITION - NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<b>Non Major Proprietary</b>		
	HWY 434 Assessment 507	Allen Field 510	Total Non Major Proprietary Funds
<i>Operating Revenues:</i>			
Sales and services	-	7,670	7,670
Special assessments	171,758	-	171,758
<i>Total revenues</i>	<u>171,758</u>	<u>7,670</u>	<u>179,428</u>
<i>Operating Expenditures:</i>			
Operating Expenditures	194,428	6,974	201,402
<i>Total operating expenses</i>	<u>194,428</u>	<u>6,974</u>	<u>201,402</u>
<i>Operating (loss) income</i>	<u>(22,670)</u>	<u>696</u>	<u>(21,974)</u>
<i>Non-operating revenues (expenses)</i>			
Transfers in/(Out)	(218,571)	-	(218,571)
Interest expense	-	-	-
<i>Total non -operating revenues (expenses)</i>	<u>(218,571)</u>	<u>-</u>	<u>(218,571)</u>
<i>Change in net position</i>	<u>(241,241)</u>	<u>696</u>	<u>(240,545)</u>
<i>Transfer in/out</i>	1,241,821	3,541	1,245,362
<i>Net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net position, end of year</i>	<u><u>1,000,580</u></u>	<u><u>4,237</u></u>	<u><u>1,004,817</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b>ASSETS</b>				
Cash	\$ 15,260	26,849	(26,788)	15,321
<i>Total assets</i>	<u>\$ 15,260</u>	<u>26,849</u>	<u>(26,788)</u>	<u>15,321</u>
<b>LIABILITIES</b>				
Amounts payable to others (for release bonds)	\$ 13,882	3,705	(4,391)	13,196
Due to others	<u>1,378</u>	<u>29,740</u>	<u>(28,993)</u>	<u>2,125</u>
<i>Total liabilities</i>	<u>\$ 15,260</u>	<u>33,445</u>	<u>(33,384)</u>	<u>15,321</u>

See Notes to Financial Statements

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF CASH AND TEMPORARY INVESTMENTS ACCOUNTS  
YEAR ENDED JUNE 30, 2017**

	<u>Bank Balance</u>
<b>Deposits in First National Bank of New Mexico:</b>	
Enterprise Account - Checking	\$ 618,918
Go Bond	828,889
Wildlands Fire	97,586
<b>Deposits in International Bank:</b>	
Infrastructure - Checking	1,416
Allen Fields Op & Maint - Checking	4,356
Operating Account - Checking	1,170,553
Payroll - Clearing	77,022
Motor Vehicle Department - Checking	49,574
State EMS Fund - Checking	2,919
State Fire Protection Fund - Checking	519,339
Law Enforcement Protection Fund - Checking	98
Lodgers Tax - Checking	165,423
Municipal Court - Checking	6,794
Municipal Court - Bond	8,527
Sports and Recreation Facility Fee - Checking	33,517
Public Safety Building - Checking	14,738
Debt Service Account - Checking	11,850
Capital Projects - Checking	24,692
Reserve CD - ISB	200,000
<b>Deposits in Washington Federal Bank:</b>	
COOP - Checking	45,020
Corrections - Checking	26,773
State MVD - Checking	1,986
MAP - Checking	2,012
Reserve CD	201,517
<b>Total bank balance</b>	<u>4,113,519</u>
<b>Reconciling items:</b>	
Outstanding checks	(504,332)
Deposits in transit	2,532
<b>Total adjustments</b>	<u>(501,800)</u>
<b>Total book balance</b>	3,611,719
<b>Petty cash fund</b>	390
<b>Investment Accounts:</b>	
Office of State Treasurer - LGIP	237,446
New Mexico Finance Authority - Debt Service Cash Reserves	2,811,915
<b>Total Investment accounts</b>	<u>3,049,361</u>
<b>Total cash per book (general ledger)</b>	\$ <u><u>6,661,470</u></u>
<b>Total Cash for Primary Government per Statement of Net Position</b>	6,646,392
Plus Municipal Court Agency Fund - Regular Checking	15,078
<b>Total Cash per Primary Government and Agency Fund</b>	\$ <u><u>6,661,470</u></u>

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF PLEDGED COLLATERAL  
YEAR ENDED JUNE 30, 2017**

	<u>International Bank</u>	<u>First National Bank of NM</u>	<u>Washington Federal</u>	<u>Total All Banks</u>
Total amount of deposits in bank:				
Infrastructure (SAD 434)	\$ 1,416	-	-	1,416
Allen Fields Operating & Maintenance	4,356	-	-	4,356
Capital Projects	24,692	-	-	24,692
Debt Service	11,850	-	-	11,850
State EMS Fund	2,919	-	-	2,919
Operating Account	1,170,553	-	-	1,170,553
LEPF	98	-	-	98
Lodgers Tax Account	165,423	-	-	165,423
Payroll Clearing Account	77,022	-	-	77,022
Public Safety Building	14,738	-	-	14,738
Municipal Court	6,794	-	-	6,794
Municipal Court Bond Account	8,527	-	-	8,527
Sports and Recreation Facility Fee	33,517	-	-	33,517
State Fire Protection Fund	519,339	-	-	519,339
MVD	49,574	-	-	49,574
Wildland Fires Fund	-	97,586	-	97,586
MAP- Checking	-	-	2,012.00	2,012
Utility Account	-	618,918	-	618,918
COOP Checking-WF	-	-	45,020	45,020
Corrections Checking - WF	-	-	26,773	26,773
MAP Checking - WF	-	-	1,986	1,986
Reverse CD-ISB	200,000	-	-	200,000
CD - WF	-	-	201,517	201,517
GO Bond	-	828,889	-	828,889
Total Deposits	<u>2,290,818</u>	<u>1,545,393</u>	<u>277,308</u>	<u>4,113,519</u>
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(750,000)</u>
Total Uninsured Public Funds	2,040,818	1,295,393	27,308	3,363,519
Pledged 50% Collateral Required Total Required Collateralization	<u>1,020,409</u>	<u>647,697</u>	<u>13,654</u>	<u>1,681,760</u>
Pledged securities:				
FHLB 1.125 12/08/17 CUSIP #3130A3HF4	99,995	-	-	99,995
FNMA 1.200 12/20/18 '13 CUSIP #3136G12K4	99,670	-	-	99,670
FNMA 1.200 12/20/18 '13 CUSIP #3136G12K4	124,588	-	-	124,588
FNMA 1.200 12/20/18 '13 CUSIP #3136G12K4	149,505	-	-	149,505
FNMA 1.200 12/20/18 '13 CUSIP #3136G12K4	249,176	-	-	249,176
FHLB 1.375 10/13/20 '16 CUSIP #3130A8MP5	148,252	-	-	148,252
FHLMC 1.500 09/30/21 '16 MTN 3134GAET7	99,049	-	-	99,049
FHLB 1.250 11/08/21 '17 MTN 3130A9TV3	257,204	-	-	257,204
FFCB 2.150 03/28/23 '17 3133EFU21	248,780	-	-	248,780
FHLMC #C91904 2.500 CUSIP 3128P8DH1	-	481,887	-	481,887
LOGANNM 5.00 4/15/18 CUSIP 541066BB1	-	128,051	-	128,051
LOGANNM 5.00 4/15/20 CUSIP #541066BD7	-	127,980	-	127,980
FNMA 3.000 11/1/2046 CUSIP #3140EW4W2	-	-	237,877	237,877
Total pledged collateral at June 30, 2017	<u>1,476,219</u>	<u>737,918</u>	<u>237,877</u>	<u>2,452,014</u>
Excess (deficiency)	<u>\$ 37,211</u>	<u>323,466.00</u>	<u>224,223.00</u>	<u>360,677</u>

STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF JOINT POWERS AGREEMENT  
FOR THE YEAR ENDED JUNE 30, 2017

<b>Joint Power Agreement</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
<b>Emergency Medical Services</b>	Moreno Valley Village of Angel Fire	Joint Responsibility	To provide emergency medical services
<b>Wildfire Suppression</b>	NM - State Forestry Village of Angel Fire	Village of Angel Fire	To provide wildfire Suppression
<b>Dispatch Services</b>	Village of Angel Fire Red River	Town of Red River	To provided 911 emergency and non-emergency dispatching services for Angel Fire
<b>The Enchanted Circle Regional Fire Protection Association (MOU)</b>	The Town of Taos , The Village of Taos Ski Valley, The Village of Angel Fire, The Village of Eagle Nest, The Town of Red River, The Village of Questa, The County of Taos	Joint Responsibility	When firefighting personnel and/or equipment are requested by a party to this agreement from any other party to this agreement, no reimbursement for services rendered will be required or expected.
<b>Blue Earth Agreement (MOU)</b>	The Village of Angel Fire and The Angel Fire Public Improvement District (MOU)	Blue Earth Consultants Inc.	Blue Earth Consultants Inc. would provide annual monitoring and maintenance as required of the Woodland Drive Wetland Mitigation Area
<b>Colfax County and The Village of Angel Fire (MOU)</b>	Colfax County and The Village of Angel Fire	Village of Angel Fire	To authorize sheriffs in all counties of this state to appoint deputies, who shall remain in office at the pleasure of such sheriffs. NMSA 1978 "Authorizes Sheriffs to appoint respectable and orderly persons as special deputies to serve any particular order , write or process or when in the opinion of any sheriff the appointment of special deputies.

**STATE OF NEW MEXICO  
VILLAGE OF ANGEL FIRE  
SCHEDULE OF JOINT POWERS AGREEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>Beginning and Ending Dates</b>	<b>Total estimated Project Amount and Amount Applicable to Village</b>	<b>Amount Contributed by Village during Fiscal year</b>	<b>Audit Responsibility</b>	<b>Fiscal agent and responsible reporting entity</b>
10/21/2003 ongoing until terminated	None	None	New Mexico Energy, Minerals & Natural Resources Department	New Mexico Energy, Minerals & Natural Resources Department
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
12/19/2001	None	None	The Town of Taos	The Town of Taos
6/27/2013 , the agreement shall be extended from time to time unless both the Village and the AFPID mutually agree in writing to terminate this MOU.	\$62,595.87	\$6,182	Village of Angel Fire	Village of Angel Fire
	Not Specified	None	Village of Angel Fire	Village of Angel Fire
3/22/2016 , the term shall be perpetual unless either party gives 30 day written notice to the other party				

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To Mr. Wayne Johnson  
New Mexico State Auditor  
and the Village of Angel Fire Council Members  
of the Village of Angel Fire

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, and the budgetary comparison of the general fund of the Village of Angel Fire, New Mexico (the "Village") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 15, 2017.

**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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses as item 2017-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 responses. 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.



Albuquerque, New Mexico  
December 15, 2017



**VILLAGE OF ANGEL FIRE, NEW MEXICO  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2017**

**A – AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS**

**2017-001: Prior Period Adjustment (Material Weakness)**

CONDITION: The Village has overstated unearned revenue and understated property tax revenue by \$185,632 in the 2016 financial statements. The unearned revenue balance was adjusted to recognize the prior year property tax revenue. The Village reversed the journal entry in the current year, leading to a restatement of 2016 balances. Additionally, during our test work over capital assets we noted that the Village has under recognized depreciation expense of \$380,575. As a result the total net position was overstated.

CRITERIA: In accordance with generally accepted accounting principles, all revenue and expense transactions should be properly recorded and recognized.

EFFECT: The Village under recognized property tax revenue of \$185,632 resulting in a prior period restatement of property tax revenue. The Village under recognized depreciation expense of \$380,575

CAUSE: The Village recorded and recognized a material amount of property tax revenue resulting in the understatement of the Village's net assets on the fiscal year 2016 financial statements.

RECOMMENDATION: We recommend that the Village reviews all property tax revenue transactions prior to posting to ensure that they are valid. We recommend that the Village reconcile the capital asset listing on a monthly basis along with the accumulated depreciation.

MANAGEMENT RESPONSE: Although the Village provided the Auditors the required information for the areas described in this finding, there are steps the Village will take in the future to assure that all year end adjustments are posted. The Village created a new position of Reconciliation Specialist in the Finance Department starting January 2, 2017. This staff will be responsible for the timely production of monthly reconciliations. By having these reconciliations consolidated under a single staff that is operating independently and dedicated to completing the needed reconciliations not only will these reconciliations be completed timelier but will be an additional control for improved accuracy. Most importantly this will provide more time for the Village to review the work of the Auditors to assure that all data provided has been properly posted.

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2017**

**STATUS OF PRIOR YEAR FINDINGS**

2011-001 internal control over cash disbursements – Resolved

2015-001 Improve IT General Controls – Resolved

**VILLAGE OF ANGEL FIRE, NEW MEXICO  
EXIT SUMMARY  
YEAR ENDED JUNE 30, 2017**

An exit conference was held with the Village on December 13, 2017.

In attendance were:

VILLAGE OF ANGEL FIRE, NEW MEXICO

D. Rogers Lanon, Councilor

Rick Tafoya, Village Manager

Brett Wier, Finance Manager

Chuck Howe, Councilor

AXIOM CPAS AND BUSINESS ADVISORS LLC

Bryan Runyan, Supervisor

**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.