

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
AUDIT REPORT  
JUNE 30, 2013**



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## **INTRODUCTORY SECTION**





## OFFICIAL ROSTER

### Village Council

#### Name

Richard Cordova

Jeff Carr

Laura Bowers

Jamie McCaslin

Bill Lowery

#### Title

Mayor

Mayor Pro-Tem/Councilor

Councilor

Councilor

Councilor

### Administrative Officials

Lynda Perry

Cathy Coppy, CMC

Faye Longo

Village Administrator

Village Finance Officer

Deputy Clerk



## **FINANCIAL STATEMENTS SECTION**

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## INDEPENDENT AUDITORS' REPORT

Richard Cordova, Mayor  
and the  
Village Council  
Village of Eagle Nest  
Eagle Nest, New Mexico  
and  
Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Eagle Nest, New Mexico (Village), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental, and the budgetary comparisons for the capital project fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, 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 misstatement, 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, each major fund, and the aggregate remaining fund information of the Village of Eagle Nest, New Mexico, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the capital project fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Management has omitted the MD&A which is required 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 Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Other Information

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

The other supplementary information is the responsibility of management and was derived from and relates 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 information is 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 November 19, 2013 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.

*Pattillo, Brown & Hill LLP*

Pattillo, Brown and Hill, LLP  
Albuquerque, New Mexico  
November 19, 2013

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF NET POSITION  
JUNE 30, 2013**

| <b>Assets</b>                                     | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>     |
|---|------------------------------------|-------------------------------------|------------------|
| Current assets:                                   |                                    |                                     |                  |
| Cash  | \$ 321,324                         | \$ 130,792                          | \$ 452,116       |
| Investments                                       | 85,790                             | 87,507                              | 173,297          |
| Receivables (net of allowance for uncollectibles) | <u>49,314</u>                      | <u>45,338</u>                       | <u>94,652</u>    |
| Total current assets                              | <u>456,428</u>                     | <u>263,637</u>                      | <u>720,065</u>   |
| Noncurrent assets:                                |                                    |                                     |                  |
| Restricted cash                                   | 211,694                            | 10,484                              | 222,178          |
| Land  | 363,906                            | 179,500                             | 543,406          |
| Construction in progress                          | 44,750                             | -                                   | 44,750           |
| Capital assets being depreciated, net             | <u>3,498,020</u>                   | <u>695,587</u>                      | <u>4,193,607</u> |
| Total noncurrent assets                           | <u>4,118,370</u>                   | <u>885,571</u>                      | <u>5,003,941</u> |
| <b>Total assets</b>                               | <u>4,574,798</u>                   | <u>1,149,208</u>                    | <u>5,724,006</u> |

The notes to the financial statements are an integral part of this statement.



|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>Liabilities</b>                      |                                    |                                     |                     |
| Current liabilities:                    |                                    |                                     |                     |
| Accounts payable                        | 18,050                             | 5,223                               | 23,273              |
| Accrued payroll expenses                | 4,581                              | -                                   | 4,581               |
| Advances                                | 144,898                            | -                                   | 144,898             |
| Encroachment and meter deposits         | 2,848                              | 10,484                              | 13,332              |
| Current portion of compensated absences | -                                  | 3,065                               | 3,065               |
| Current portion of long term debt       | <u>26,960</u>                      | <u>-</u>                            | <u>26,960</u>       |
| Total current liabilities               | <u>197,337</u>                     | <u>18,772</u>                       | <u>216,109</u>      |
| Noncurrent liabilities:                 |                                    |                                     |                     |
| Compensated absences                    | 21,058                             | -                                   | 21,058              |
| Loans payable                           | <u>276,547</u>                     | <u>-</u>                            | <u>276,547</u>      |
| Total noncurrent liabilities            | <u>297,605</u>                     | <u>-</u>                            | <u>297,605</u>      |
| <b>Total liabilities</b>                | <u>494,942</u>                     | <u>18,772</u>                       | <u>513,714</u>      |
| <b>Net Position</b>                     |                                    |                                     |                     |
| Net investment in capital assets        | 3,603,169                          | 875,087                             | 4,478,256           |
| Restricted for:                         |                                    |                                     |                     |
| Capital projects                        | 3,377                              | -                                   | 3,377               |
| Debt service                            | 63,948                             | -                                   | 63,948              |
| Unrestricted                            | <u>409,362</u>                     | <u>255,349</u>                      | <u>664,711</u>      |
| <b>Total net position</b>               | <u>\$ 4,079,856</u>                | <u>\$ 1,130,436</u>                 | <u>\$ 5,210,292</u> |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

| <u>Functions/Programs</u>      | <u>Expenses</u>     | <u>Program Revenues</u>         |   |   |
|--------------------------------|---------------------|---------------------------------|---|---|
|                                |                     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> |
| <b>Primary Government:</b>     |                     |                                 |   |   |
| Governmental activities:       |                     |                                 |   |   |
| General government             | \$ 249,452          | \$ 2,805                        | \$ 38,700   | \$ -  |
| Culture and recreation         | 58,025              | -                               | 6,922   | 31,206  |
| Public safety                  | 173,399             | 18,175                          | 99,711  | -   |
| Public works                   | 227,944             | 445                             | -   | 261,083   |
| Health and welfare             | 69,713              | 8,752                           | 50,498  | 7,340   |
| Interest on long-term debt     | 10,596              | -                               | -   | -   |
| Total governmental activities  | <u>789,129</u>      | <u>30,177</u>                   | <u>195,831</u>                                    | <u>299,629</u>                                  |
| Business-type activities:      |                     |                                 |   |   |
| Joint Utility                  | 127,827             | 138,118                         | -   | -   |
| Solid Waste                    | 96,611              | 98,931                          | -   | -   |
| Total business-type activities | <u>224,438</u>      | <u>237,049</u>                  | <u>-</u>  | <u>-</u>  |
| Total primary government       | <u>\$ 1,013,567</u> | <u>\$ 267,226</u>               | <u>\$ 195,831</u>                                 | <u>\$ 299,629</u>                               |

General revenues:

Taxes:

Property  
Gross receipts  
State shared  
Lodgers'  
Franchise

Interest on investments

Miscellaneous

Transfers

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue  
and Changes in Net Position

| Primary Government         |                             |              |
|----------------------------|-----------------------------|--------------|
| Governmental<br>Activities | Business-type<br>Activities | Total        |
| \$( 207,947)               | \$ -                        | \$( 207,947) |
| ( 19,897)                  | -                           | ( 19,897)    |
| ( 55,513)                  | -                           | ( 55,513)    |
| 33,584                     | -                           | 33,584       |
| ( 3,123)                   | -                           | ( 3,123)     |
| ( 10,596)                  | -                           | ( 10,596)    |
| ( 263,492)                 | -                           | ( 263,492)   |
| -                          | 10,291                      | 10,291       |
| -                          | 2,320                       | 2,320        |
| -                          | 12,611                      | 12,611       |
| ( 263,492)                 | 12,611                      | ( 250,881)   |
| 32,687                     | -                           | 32,687       |
| 168,612                    | 11,093                      | 179,705      |
| 24,027                     | -                           | 24,027       |
| 32,634                     | -                           | 32,634       |
| 17,464                     | -                           | 17,464       |
| 1,285                      | 137                         | 1,422        |
| 22,676                     | 413                         | 23,089       |
| 14,223                     | ( 14,223)                   | -            |
| 313,608                    | ( 2,580)                    | 311,028      |
| 50,116                     | 10,031                      | 60,147       |
| 4,029,740                  | 1,120,405                   | 5,150,145    |
| \$ 4,079,856               | \$ 1,130,436                | \$ 5,210,292 |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

|   | <u>General<br/>Fund</u> | <u>Fire<br/>Protection</u> | <u>Municipal<br/>Street</u> |
|---|-------------------------|----------------------------|-----------------------------|
| <b>Assets</b>   |                         |                            |                             |
| Cash  | \$ 48,894               | \$ 116,911                 | \$ 55,641                   |
| Investments   | 7,010                   | 5,854                      | 37,413                      |
| Accounts receivable (net of<br>allowance for uncollectible) | 19,968                  | -                          | 1,196                       |
| Due from other funds  | 13,660                  | -                          | 1,440                       |
| Restricted cash   | <u>-</u>                | <u>-</u>                   | <u>9,798</u>                |
| <b>Total assets</b>   | <u>\$ 89,532</u>        | <u>\$ 122,765</u>          | <u>\$ 105,488</u>           |
| <b>Liabilities and Fund Balances</b>                        |                         |                            |                             |
| <b>Liabilities:</b>   |                         |                            |                             |
| Accounts payable  | \$ -                    | \$ -                       | \$ 18,050                   |
| Accrued payroll expenses                                    | 4,581                   | -                          | -                           |
| Due to other funds  | 5,836                   | -                          | -                           |
| Advances  | -                       | -                          | 6,950                       |
| Encroachment deposits                                       | -                       | -                          | 2,848                       |
| Deferred revenue  | <u>6,405</u>            | <u>-</u>                   | <u>-</u>                    |
| <b>Total liabilities</b>                                    | <u>16,822</u>           | <u>-</u>                   | <u>27,848</u>               |
| <b>Fund balances:</b>                                       |                         |                            |                             |
| Restricted for:   |                         |                            |                             |
| Special revenue   | -                       | 122,765                    | 77,640                      |
| Capital projects  | -                       | -                          | -                           |
| Debt Service  | -                       | -                          | -                           |
| Unassigned  | <u>72,710</u>           | <u>-</u>                   | <u>-</u>                    |
| <b>Total fund balances</b>                                  | <u>72,710</u>           | <u>122,765</u>             | <u>77,640</u>               |
| <b>Total liabilities and fund balances</b>                  | <u>\$ 89,532</u>        | <u>\$ 122,765</u>          | <u>\$ 105,488</u>           |

The notes to the financial statements are an integral part of this statement.

| <b>MAP<br/>7607</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---------------------|---|---|
| \$ -                | \$ 99,878                               | \$ 321,324                              |
| -                   | 35,513                                  | 85,790                                  |
| -                   | 28,150                                  | 49,314                                  |
| -                   | -                                       | 15,100                                  |
| <u>137,948</u>      | <u>63,948</u>                           | <u>211,694</u>                          |
| <u>\$ 137,948</u>   | <u>\$ 227,489</u>                       | <u>\$ 683,222</u>                       |
| \$ -                | \$ -                                    | \$ 18,050                               |
| -                   | -                                       | 4,581                                   |
| -                   | 9,264                                   | 15,100                                  |
| 137,948             | -                                       | 144,898                                 |
| -                   | -                                       | 2,848                                   |
| -                   | -                                       | 6,405                                   |
| <u>137,948</u>      | <u>9,264</u>                            | <u>191,882</u>                          |
| -                   | 150,900                                 | 351,305                                 |
| -                   | 3,377                                   | 3,377                                   |
| -                   | 63,948                                  | 63,948                                  |
| -                   | -                                       | 72,710                                  |
| <u>-</u>            | <u>218,225</u>                          | <u>491,340</u>                          |
| <u>\$ 137,948</u>   | <u>\$ 227,489</u>                       | <u>\$ 683,222</u>                       |

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013**

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

|   |                     |                     |
|---|---------------------|---------------------|
| Fund balances - total government funds  |                     | \$ 491,340          |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds                    |                     |                     |
| Governmental capital assets   | \$ 8,370,081        |                     |
| Less accumulated depreciation   | <u>( 4,463,405)</u> | 3,906,676           |
| A portion of property taxes is not available to pay for current period expenditures and, therefore, is deferred in the funds                |                     |                     |
|   |                     | 6,405               |
| Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds |                     |                     |
| Loans payable   | \$( 303,507)        |                     |
| Compensated absences  | <u>( 21,058)</u>    | <u>( 324,565)</u>   |
| Change in net position of governmental activities   |                     | <u>\$ 4,079,856</u> |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <b>General</b>   | <b>Fire<br/>Protection</b> | <b>Municipal<br/>Street</b> |
|--|------------------|----------------------------|-----------------------------|
| <b>Revenues</b>  |                  |                            |                             |
| Taxes:   |                  |                            |                             |
| Gross receipts   | \$ 139,032       | \$ -                       | \$ 29,580                   |
| Property   | 30,931           | -                          | -                           |
| Other state shared   | 1,796            | 5,000                      | 12,231                      |
| Lodgers'   | -                | -                          | -                           |
| Franchise  | 17,464           | -                          | -                           |
| Licenses and permits   | 3,274            | -                          | -                           |
| Intergovernmental  |                  |                            |                             |
| Federal  | -                | -                          | -                           |
| State  | 38,700           | 72,711                     | 58,050                      |
| Fines and forfeitures  | 3,057            | -                          | -                           |
| Charges for services   | -                | -                          | -                           |
| Other  | 3,575            | 49                         | -                           |
| Investment   | 818              | 355                        | 59                          |
|  | <u>238,647</u>   | <u>78,115</u>              | <u>99,920</u>               |
| <b>Total revenues</b>  |                  |                            |                             |
| <b>Expenditures</b>  |                  |                            |                             |
| <b>Current operations:</b>                                   |                  |                            |                             |
| General government   | 228,012          | -                          | -                           |
| Culture and recreation                                       | -                | -                          | -                           |
| Public safety  | -                | 75,232                     | -                           |
| Public works   | -                | -                          | 61,140                      |
| Health and welfare   | -                | -                          | -                           |
| <b>Debt Service</b>  |                  |                            |                             |
| Principal  | -                | 20,049                     | -                           |
| Interest   | -                | 4,618                      | -                           |
| <b>Capital outlay</b>  | -                | -                          | 40,000                      |
|  | <u>228,012</u>   | <u>99,899</u>              | <u>101,140</u>              |
| <b>Total expenditures</b>                                    |                  |                            |                             |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | 10,635           | ( 21,784)                  | ( 1,220)                    |
| <b>Other financing sources (uses):</b>                       |                  |                            |                             |
| Transfers in (out)   | ( 3,672)         | -                          | -                           |
| <b>Net change in fund balances</b>                           | 6,963            | ( 21,784)                  | ( 1,220)                    |
| <b>Fund balances, beginning of year</b>                      | 65,747           | 144,549                    | 78,860                      |
| <b>Fund balances, end of year</b>                            | <u>\$ 72,710</u> | <u>\$ 122,765</u>          | <u>\$ 77,640</u>            |

The notes to the financial statements are an integral part of this statement.



| <b>MAP<br/>7607</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---------------------|---|---|
| \$ -                | \$ -                                    | \$ 168,612                              |
| -                   | -                                       | 30,931                                  |
| -                   | 5,000                                   | 24,027                                  |
| -                   | 32,634                                  | 32,634                                  |
| -                   | -                                       | 17,464                                  |
| -                   | -                                       | 3,274                                   |
| -                   | -                                       | -                                       |
| -                   | 63,029                                  | 63,029                                  |
| 123,449             | 139,521                                 | 432,431                                 |
| -                   | 520                                     | 3,577                                   |
| -                   | 23,326                                  | 23,326                                  |
| -                   | 19,052                                  | 22,676                                  |
| -                   | 53                                      | 1,285                                   |
| <u>123,449</u>      | <u>283,135</u>                          | <u>823,266</u>                          |
| -                   | -                                       | 228,012                                 |
| -                   | 58,025                                  | 58,025                                  |
| -                   | 16,110                                  | 91,342                                  |
| -                   | 6,107                                   | 67,247                                  |
| -                   | 64,653                                  | 64,653                                  |
| -                   | 7,464                                   | 27,513                                  |
| -                   | 5,978                                   | 10,596                                  |
| <u>123,449</u>      | <u>160,071</u>                          | <u>323,520</u>                          |
| <u>123,449</u>      | <u>318,408</u>                          | <u>870,908</u>                          |
| -                   | ( 35,273)                               | ( 47,642)                               |
| -                   | 17,895                                  | 14,223                                  |
| -                   | ( 17,378)                               | ( 33,419)                               |
| -                   | 235,603                                 | 524,759                                 |
| <u>\$ -</u>         | <u>\$ 218,225</u>                       | <u>\$ 491,340</u>                       |

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

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

|  |             |
|--|-------------|
| Net change in fund balances - total governmental funds | \$( 33,419) |
|--|-------------|

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

|                      |            |
|----------------------|------------|
| Capital outlay       | 323,520    |
| Depreciation expense | ( 272,262) |

|   |        |
|---|--------|
| The repayment of the principal of long-term debt and accrued legal expenses consumes the current financial resources of governmental funds. | 39,403 |
|---|--------|

|   |       |
|---|-------|
| Recognition of accounts receivable and deferred revenues is reflected on the full accrual basis within the statement of activities. The Village has determined that the receivables are not available, therefore the revenues have been deferred within the governmental funds. | 1,756 |
|---|-------|

|   |                                      |
|---|--------------------------------------|
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | Compensated absences <u>( 8,882)</u> |
|---|--------------------------------------|

|   |                  |
|---|------------------|
| Change in net position of governmental activities | <u>\$ 50,116</u> |
|---|------------------|

**The notes to the financial statements are an integral part of this statement.**

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u> |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                   | <u>(Negative)</u>                                       |
| <b>Revenues</b>                               |                         |                    |                   |   |
| Taxes:  |                         |                    |                   |   |
| Gross receipts                                | \$ 126,591              | \$ 126,591         | \$ 146,932        | \$ 20,341   |
| Property                                      | 30,958                  | 30,958             | 30,572            | \$( 386)  |
| Other state shared                            | 1,600                   | 1,600              | 1,796             | 196   |
| Franchise tax                                 | 14,984                  | 14,984             | 17,464            | 2,480   |
| Licenses and permits                          | 4,475                   | 4,475              | 3,274             | ( 1,201)  |
| Intergovernmental                             |                         |                    |                   |   |
| State   | 41,512                  | 41,512             | 37,937            | ( 3,575)  |
| Fines and forfeitures                         | 2,410                   | 2,410              | 3,057             | 647   |
| Investment                                    | 465                     | 465                | 818               | 353   |
| Other   | 6,661                   | 6,661              | 3,575             | ( 3,086)  |
| <b>Total revenues</b>                         | <u>229,656</u>          | <u>229,656</u>     | <u>245,425</u>    | <u>15,769</u>   |
| <b>Expenditures</b>                           |                         |                    |                   |   |
| <b>Current operations:</b>                    |                         |                    |                   |   |
| General government                            | <u>243,262</u>          | <u>243,262</u>     | <u>230,591</u>    | <u>12,671</u>   |
| <b>Total expenditures</b>                     | <u>243,262</u>          | <u>243,262</u>     | <u>230,591</u>    | <u>12,671</u>   |
| <b>Net change in fund balances</b>            | <u>\$( 13,606)</u>      | <u>\$( 13,606)</u> | 11,162            | <u>\$ 24,768</u>  |
| Beginning cash                                | <u>\$ 25,766</u>        | <u>\$ 25,766</u>   |                   |   |
| <b>RECONCILIATION TO GAAP BASIS</b>           |                         |                    |                   |   |
| Change in receivables                         |                         |                    | ( 5,022)          |   |
| Change in accrued payroll expenses            |                         |                    | 2,579             |   |
| Change in deferred revenue                    |                         |                    | ( 1,756)          |   |
| <b>Net change in fund balances GAAP basis</b> |                         |                    | <u>\$ 6,963</u>   |   |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
FIRE PROTECTION FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2012**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>Revenues</b>                               |                         |                    |                           |   |
| Intergovernmental                             |                         |                    |                           |   |
| State   | \$ 48,044               | \$ 48,044          | \$ 72,711                 | \$ 24,667   |
| Investment                                    | -                       | -                  | 355                       | 355   |
| <b>Total revenues</b>                         | <u>134,841</u>          | <u>134,841</u>     | <u>78,115</u>             | <u>( 56,726)</u>  |
| <b>Expenditures</b>                           |                         |                    |                           |   |
| <b>Current operations:</b>                    |                         |                    |                           |   |
| Public safety                                 | 56,389                  | 74,835             | 75,232                    | ( 397)  |
| <b>Debt Service</b>                           |                         |                    |                           |   |
| Principal                                     | 20,000                  | 20,000             | 20,049                    | ( 49)   |
| Interest                                      | 5,000                   | 5,000              | 4,618                     | 382   |
| <b>Capital outlay</b>                         | <u>64,000</u>           | <u>64,000</u>      | <u>63,918</u>             | <u>82</u>   |
| <b>Total expenditures</b>                     | <u>145,389</u>          | <u>163,835</u>     | <u>163,817</u>            | <u>18</u>   |
| <b>Net change in fund balances</b>            | <u>\$( 10,548)</u>      | <u>\$( 28,994)</u> | ( 85,702)                 | <u>\$( 56,708)</u>  |
| Beginning cash                                | <u>\$ 208,467</u>       | <u>\$ 208,467</u>  |                           |   |
| <b>RECONCILIATION TO GAAP BASIS</b>           |                         |                    |                           |   |
| Change in payables                            |                         |                    | <u>63,918</u>             |   |
| <b>Net change in fund balances GAAP basis</b> |                         |                    | <u>\$( 21,784)</u>        |   |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
MUNICIPAL STREET FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                               |                         |                     |                           |   |
| Taxes:  |                         |                     |                           |   |
| Gross receipts                                | \$ 26,932               | \$ 26,932           | \$ 31,260                 | \$ 4,328  |
| Other state shared                            | 10,445                  | 10,445              | 12,231                    | 1,786   |
| Intergovernmental                             |                         |                     |                           |   |
| State   | 65,000                  | 65,000              | 65,000                    | -   |
| Investment                                    | <u>59</u>               | <u>59</u>           | <u>59</u>                 | <u>-</u>  |
| <b>Total revenues</b>                         | <u>102,436</u>          | <u>102,436</u>      | <u>108,550</u>            | <u>6,114</u>  |
| <b>Expenditures</b>                           |                         |                     |                           |   |
| <b>Current operations:</b>                    |                         |                     |                           |   |
| Public works                                  | 67,940                  | 67,940              | 43,090                    | 24,850  |
| <b>Capital outlay</b>                         | <u>60,000</u>           | <u>60,000</u>       | <u>40,000</u>             | <u>20,000</u>   |
| <b>Total expenditures</b>                     | <u>127,940</u>          | <u>127,940</u>      | <u>83,090</u>             | <u>44,850</u>   |
| <b>Net change in fund balances</b>            | \$( <u>25,504</u> )     | \$( <u>25,504</u> ) | 25,460                    | \$ <u>50,964</u>  |
| Beginning cash                                | \$ <u>75,984</u>        | \$ <u>75,984</u>    |                           |   |
| <b>RECONCILIATION TO GAAP BASIS</b>           |                         |                     |                           |   |
| Change in receivables                         |                         |                     | ( 1,680 )                 |   |
| Change in payables                            |                         |                     | ( 18,050 )                |   |
| Change in advances                            |                         |                     | <u>( 6,950 )</u>          |   |
| <b>Net change in fund balances GAAP basis</b> |                         |                     | \$( <u>1,220</u> )        |   |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013**

|   | <u>Joint<br/>Utility</u> | <u>Solid<br/>Waste</u> | <u>Total</u>        |
|---|--------------------------|------------------------|---------------------|
| <b>ASSETS</b>   |                          |                        |                     |
| <b>Current assets:</b>                                      |                          |                        |                     |
| Cash  | \$ 73,586                | \$ 57,206              | \$ 130,792          |
| Investments   | 74,053                   | 13,454                 | 87,507              |
| Accounts receivable (net of<br>allowance for uncollectible) | <u>21,068</u>            | <u>24,270</u>          | <u>45,338</u>       |
| <b>Total current assets</b>                                 | <u>168,707</u>           | <u>94,930</u>          | <u>263,637</u>      |
| <b>Noncurrent assets:</b>                                   |                          |                        |                     |
| Restricted assets:  |                          |                        |                     |
| Cash and investments:                                       |                          |                        |                     |
| Meter deposits  | <u>10,484</u>            | <u>-</u>               | <u>10,484</u>       |
| Total restricted assets                                     | <u>10,484</u>            | <u>-</u>               | <u>10,484</u>       |
| Capital assets:   |                          |                        |                     |
| Non-depreciable assets                                      |                          |                        |                     |
| Land  | 179,500                  | -                      | 179,500             |
| Capital assets being depreciated, net                       | <u>695,587</u>           | <u>-</u>               | <u>695,587</u>      |
| Total capital assets  | <u>875,087</u>           | <u>-</u>               | <u>875,087</u>      |
| <b>Total noncurrent assets</b>                              | <u>885,571</u>           | <u>-</u>               | <u>885,571</u>      |
| <b>Total assets</b>   | <u>1,054,278</u>         | <u>94,930</u>          | <u>1,149,208</u>    |
| <b>LIABILITIES</b>  |                          |                        |                     |
| <b>Current liabilities:</b>                                 |                          |                        |                     |
| Accounts payable  | 1,166                    | 4,057                  | 5,223               |
| Meter deposits  | 10,484                   | -                      | 10,484              |
| Compensated absences  | <u>3,065</u>             | <u>-</u>               | <u>3,065</u>        |
| <b>Total current liabilities</b>                            | <u>14,715</u>            | <u>4,057</u>           | <u>18,772</u>       |
| <b>Total liabilities</b>                                    | <u>14,715</u>            | <u>4,057</u>           | <u>18,772</u>       |
| <b>Net Position</b>   |                          |                        |                     |
| Net investment in capital assets                            | 875,087                  | -                      | 875,087             |
| Unrestricted  | <u>164,476</u>           | <u>90,873</u>          | <u>255,349</u>      |
| <b>Total net position</b>                                   | <u>\$ 1,039,563</u>      | <u>\$ 90,873</u>       | <u>\$ 1,130,436</u> |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDING JUNE 30, 2013**

|  | Joint<br>Utility    | Solid<br>Waste    | Total             |
|--|---------------------|-------------------|-------------------|
|  | <u>          </u>   | <u>          </u> | <u>          </u> |
| <b>Operating revenues:</b>                     |                     |                   |                   |
| Charges for services                           | \$ 138,118          | \$ 98,931         | \$ 237,049        |
| Miscellaneous                                  | <u>413</u>          | <u>-</u>          | <u>413</u>        |
| <b>Total operating revenues</b>                | <u>138,531</u>      | <u>98,931</u>     | <u>237,462</u>    |
| <b>Operating expenses:</b>                     |                     |                   |                   |
| Personnel services                             | 38,327              | 19,404            | 57,731            |
| Depreciation                                   | 41,181              | -                 | 41,181            |
| Contract services                              | 5,402               | 67,930            | 73,332            |
| Other operating expense                        | <u>42,917</u>       | <u>9,277</u>      | <u>52,194</u>     |
| <b>Total operating expenses</b>                | <u>127,827</u>      | <u>96,611</u>     | <u>224,438</u>    |
| <b>Operating income (loss)</b>                 | <u>10,704</u>       | <u>2,320</u>      | <u>13,024</u>     |
| <b>Non-operating revenues (expenses):</b>      |                     |                   |                   |
| Investment                                     | 116                 | 21                | 137               |
| Gross receipts taxes                           | <u>7,395</u>        | <u>3,698</u>      | <u>11,093</u>     |
| <b>Total non-operating revenues (expenses)</b> | <u>7,511</u>        | <u>3,719</u>      | <u>11,230</u>     |
| <b>Income (loss) before transfers</b>          | <u>18,215</u>       | <u>6,039</u>      | <u>24,254</u>     |
| <b>Other financing sources (uses):</b>         |                     |                   |                   |
| Transfers in (out)                             | <u>( 14,223)</u>    | <u>-</u>          | <u>( 14,223)</u>  |
| <b>Total other financing sources (uses)</b>    | <u>( 14,223)</u>    | <u>-</u>          | <u>( 14,223)</u>  |
| <b>Change in net position</b>                  | 3,992               | 6,039             | 10,031            |
| <b>Total net position - beginning</b>          | <u>1,035,571</u>    | <u>84,834</u>     | <u>1,120,405</u>  |
| <b>Total net position - ending</b>             | <u>\$ 1,039,563</u> | <u>\$ 90,873</u>  | <u>1,130,436</u>  |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDING JUNE 30, 2013**

|   | <u>Joint<br/>Utility</u> | <u>Solid<br/>Waste</u> | <u>Total</u>      |
|---|--------------------------|------------------------|-------------------|
| <b>Cash flows from operating activities</b>   |                          |                        |                   |
| Receipts from customers and users   | \$ 133,887               | \$ 96,009              | \$ 229,896        |
| Payments to employees for services  | ( 36,398)                | ( 19,404)              | ( 55,802)         |
| Payments to suppliers for goods and services  | <u>( 48,266)</u>         | <u>( 78,134)</u>       | <u>( 126,400)</u> |
| Net cash provided (used) by operating activities  | <u>49,223</u>            | <u>(1,529)</u>         | <u>47,694</u>     |
| <br><b>Cash flows from noncapital financing activities</b>  |                          |                        |                   |
| Taxes collected   | 7,395                    | 3,698                  | 11,093            |
| Transfers to other funds  | <u>(14,223)</u>          | <u>-</u>               | <u>( 14,223)</u>  |
| Net cash provided (used) by capital and related activities  | <u>(6,828)</u>           | <u>3,698</u>           | <u>( 3,130)</u>   |
| <br><b>Cash flows from investing activities</b>   |                          |                        |                   |
| Transfer (to) from restricted cash  | (1,005)                  | -                      | ( 1,005)          |
| Interest on investments   | <u>116</u>               | <u>21</u>              | <u>137</u>        |
| Net cash provided by investing activities   | <u>(889)</u>             | <u>21</u>              | <u>( 868)</u>     |
| <br>Net increase in cash and cash equivalents   | 41,506                   | 2,190                  | 43,696            |
| <br>Cash and equivalents beginning of year  | <u>106,133</u>           | <u>68,470</u>          | <u>174,603</u>    |
| <br>Cash and equivalents end of year  | <u>\$ 147,639</u>        | <u>\$ 70,660</u>       | <u>\$ 218,299</u> |
| <br><b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                          |                        |                   |
| Operating income (loss)   | \$ 10,704                | \$ 2,320               | \$ 13,024         |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:            |                          |                        |                   |
| Depreciation expense  | 41,181                   | -                      | 41,181            |
| Change in assets and liabilities:   |                          |                        |                   |
| Receivables, net  | (5,649)                  | (2,922)                | ( 8,571)          |
| Customer deposits   | 1,005                    | -                      | 1,005             |
| Accounts payables   | 53                       | ( 927)                 | ( 874)            |
| Compensated absences  | <u>1,929</u>             | <u>-</u>               | <u>1,929</u>      |
| Net cash provided by operating activities   | <u>\$ 49,223</u>         | <u>\$( 1,529)</u>      | <u>\$ 47,694</u>  |

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Eagle Nest (Village) was incorporated in 1971 under Section 3 of the New Mexico State Statutes Annotated 1978 Compilation operating under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, refuse collection, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

**A. Reporting Entity**

This summary of significant accounting policies of the Village of Eagle Nest (Village) is presented to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP).

The basic (but not the only) criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-like activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 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 revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Sales, franchise, gas, and other similar taxes are recognized when the underlying exchange transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if 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 due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Protection Fund accounts for the financial resources from a state grant and charges for services rendered. Expenditures include all costs associated with the fire protection fund. Authorization is by State Statute Chapter 178, Laws of 1978.

The Municipal Street Fund accounts for revenues from a 1 cent gasoline tax which is used to repair and construct roads.

The Capital Project - MAP 7607 accounts for the grant funds used for the design, reconstruction, and drainage improvements of Village roads. Authorized by NMSA 1978, Section 67-3-28, as amended.

The Village reports the following major proprietary fund:

The Joint Utility Fund is used to account for activities of the Village's water and sewer utility service.

The Solid Waste Fund is used to account for activities of the Village's solid waste utility service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's joint utility function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Amounts reported as program revenues include: 1) charges for services to taxpayers or applicants who purchase, use or directly benefit from the goods or services provided by the given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

### D. Assets, Liabilities, Net Position and Fund Balance

#### **Cash and Investments**

Cash and cash equivalents include amounts in demand deposits. Investments are deposits in the State Treasurer's Investment Pool. Investments are stated at fair market value. For the purposes of the statement of cash flows, cash and investments include unrestricted amounts in demand deposits and the State Treasurer's Investment Pool.

#### **Receivables**

Accounts receivable of the enterprise fund represent the amounts due from customer utility accounts. The governmental funds report taxes and other fees collected at the Village, County and State level as receivables. All trade and tax receivables are shown net of an allowance for uncollectible.

#### **Property Taxes**

An enforceable legal claim to taxable property arises on January 1 in the year of levy. Taxes are due on November 10 and May 10 and are collected by the Colfax County Treasurer. Taxes not paid within 30 days are declared delinquent. The Village records all delinquent property taxes not collected within 60 days of year-end as deferred revenue in the fund financial statements. All property taxes received after the 60-day period are accrued in the government-wide financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Liabilities, Net Position and Fund Balance** (continued)

**Capital Assets**

Capital assets, which include property, plant, equipment, improvements, and water and sewer system, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government-wide statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, improvements, equipment, and water and sewer systems are depreciated using the straight-line method over the following useful lives:

| Assets                        | Years |
|-------------------------------|-------|
| Permanent Buildings           | 45    |
| Land Improvements             | 20    |
| Vehicles                      | 6     |
| Computer Equipment            | 5     |
| Other Furniture and Equipment | 5-20  |

**Compensated Absences**

Qualified employees are entitled to accumulate annual leave, which includes vacation and sick days, according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for a maximum of 360 hours of accrued annual leave.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, Liabilities, Net Position and Fund Balance (continued)

#### **Fund Balances**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance.* This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Village council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

#### **Net Position**

Net position represents 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 borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislations adopted by the Village or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, Liabilities, Net Position and Fund Balance (continued)

#### **Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Budgetary Information

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Village Clerk-Treasurer submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Clerk-Treasurer 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. That is, expenditures in each fund may not exceed the budgeted appropriation for that fund.
3. Formal budgetary integration is employed as a management control device during the year for the Governmental and Enterprise Funds.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classifications detail in which expenditures or expenses may not legally exceed appropriation for each budget is in fund total. Appropriations lapse at year end.
6. Budgets for Governmental and Enterprise Funds are adopted on a basis not consistent with generally accepted accounting principles. Throughout the year the accounting records are maintained on the non-GAAP basis of cash receipts and disbursements. Accordingly, certain revenues and the related assets are recognized when paid rather than when the obligation is incurred. The financial statements are presented on the modified accrual basis of accounting. Budgetary comparisons presented for Governmental and Enterprise Funds in this report are on the non-GAAP budgetary basis and actual (cash basis).

### 3. DETAILED NOTES ON ALL FUNDS

#### Deposits and Investments

The Village invests its funds in accordance with state statutes which require that financial institutions pledge collateral consisting of approved federal or state securities whose market value is equal to at least 50% of the deposits in excess of FDIC insurance coverage. In accordance with state statutes, the Village may have deposits only in financial institutions, federal direct obligations, or the New Mexico State Treasurer’s Local Government Pooled Investment Plan.

#### Cash and Investments

|                            | Balance<br>Per Bank<br><u>June 30</u> | Add<br>Deposits<br><u>In Transit</u> | Less<br>Outstanding<br><u>Checks</u> | Balance<br>Per Books<br><u>June 30</u> |
|----------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--|
| International Bank         |                                       |                                      |                                      |  |
| Checking Accounts          |                                       |                                      |                                      |  |
| Operating                  | \$ 677,206                            | \$ 6,576                             | \$ 131,844                           | \$ 551,938                             |
| Emergency Response         | 225                                   | -                                    | -                                    | 225                                    |
| CDBG                       | 100                                   | -                                    | -                                    | 100                                    |
| Fire                       | 122,100                               | -                                    | 5,208                                | 116,892                                |
| First National Bank        |                                       |                                      |                                      |  |
| Checking Accounts          |                                       |                                      |                                      |  |
| Enchanted Eagle Park       | 5,585                                 | -                                    | 1,438                                | 4,147                                  |
| Beautification             | 992                                   | -                                    | -                                    | 992                                    |
| State of New Mexico        |                                       |                                      |                                      |  |
| Investment Accounts        |                                       |                                      |                                      |  |
| LGIP Fund                  | 173,202                               | -                                    | -                                    | 173,202                                |
| Reserve Contingencies Fund | <u>95</u>                             | <u>-</u>                             | <u>-</u>                             | <u>95</u>                              |
| Total Cash in Banks        | <u>\$ 979,505</u>                     | <u>\$ 6,576</u>                      | <u>\$ 138,490</u>                    | <u>\$ 847,591</u>                      |

As Reported in the Financial Statements:

Equity in Cash

|                 |                   |
|-----------------|-------------------|
| Cash            | \$ 452,116        |
| Restricted Cash | 222,178           |
| Investments     | <u>173,297</u>    |
|                 | <u>\$ 847,591</u> |



3. **DETAILED NOTES ON ALL FUNDS** (Continued)

**Cash and Investments** (continued)

In accordance with Section 6-10-17, NMSA 1978 compilation, deposits of public monies are required to be collateralized. Pledged collateral is required in amounts in aggregate equal to one half of the amount of uninsured public money in each account during the fiscal year. Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation.

|                              | International<br>Bank | First<br>National<br>Bank | Total        |
|------------------------------|-----------------------|---------------------------|--------------|
| Amount on Deposit in Bank    | \$ 799,631            | \$ 6,577                  | \$ 806,208   |
| FDIC Coverage                | ( 250,000)            | ( 6,577)                  | \$( 256,577) |
| Total uninsured public funds | 549,631               | -                         | 549,631      |

**Collateral pledged:**

Held by pledging bank's trust department  
not in the Village's name

**International Bank**

|  |                    |             |                    |
|--|--------------------|-------------|--------------------|
| FHLB, 6/13/14<br>CUSIP #3133XKTV7                  | ( 26,122)          | -           | ( 26,122)          |
| FHLB, 9/12/14<br>CUSIP #313370JS8                  | ( 126,653)         | -           | ( 126,653)         |
| FNNT, 8/25/15<br>CUSIP #3136FPBB2                  | ( 103,642)         | -           | ( 103,642)         |
| Uninsured and uncollateralized                     | <u>\$ 293,214</u>  | <u>\$ -</u> | <u>\$ 293,214</u>  |
| Collateral requirement<br>(50% of uninsured funds) | \$ 274,816         | \$ -        | \$ 274,816         |
| Pledged collateral                                 | <u>230,295</u>     | <u>-</u>    | <u>230,295</u>     |
| Over (under) collateralized                        | <u>\$( 44,521)</u> | <u>\$ -</u> | <u>\$( 44,521)</u> |

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$549,631 of the Village's bank balance of \$806,208 was exposed to custodial credit risk.

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

**Cash and Investments** (continued)

**Investments**

The Village invests excess cash in the State Treasurer Local Government Investment Pool. The Pool's investments are valued at fair value based on quoted market prices as of the valuation date. The New Mexico State Treasurer Investment Pool is not registered with the SEC. Section 6-10-10.I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued or backed by the United States Government or by its departments or agencies and are either direct obligations of the United States Government or agencies sponsored by the United States Government. The LGIP investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per 6-10-10.1 F, NMSA 1978, at the end of each month 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 amounts were invested. Participation in the fund is voluntary. At June 30, 2013 the Village had \$173,202 invested in the LGIP which is AAAM rated with a 84-day weighted average maturity to final and \$95 in the reserve contingencies fund which is not rated and is considered a non-performing asset.

**Receivables**

Receivables as of year-end for the Village's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|                                    | <u>Governmental Funds</u> |                             |                       |                          |                        | <u>Total</u>     |
|------------------------------------|---------------------------|-----------------------------|-----------------------|--------------------------|------------------------|------------------|
|                                    | <u>General</u>            | <u>Municipal<br/>Street</u> | <u>Non-<br/>Major</u> | <u>Joint<br/>Utility</u> | <u>Solid<br/>Waste</u> |                  |
| Receivables:                       |                           |                             |                       |                          |                        |                  |
| Customer                           | \$ -                      | \$ -                        | \$ 11,675             | \$ 25,815                | \$ 31,697              | \$ 69,187        |
| Taxes                              |                           |                             |                       |                          |                        |                  |
| Gross receipts                     | 5,616                     | 1,196                       | -                     | 299                      | 150                    | 7,261            |
| Property                           | 10,777                    | -                           | -                     | -                        | -                      | 10,777           |
| Lodgers'                           | -                         | -                           | 6,805                 | -                        | -                      | 6,805            |
| Other governments                  | <u>3,575</u>              | <u>-</u>                    | <u>11,941</u>         | <u>-</u>                 | <u>-</u>               | <u>15,516</u>    |
| Gross receivables                  | 19,968                    | 1,196                       | 30,421                | 26,114                   | 31,847                 | 109,546          |
| Less: allowance for uncollectibles | <u>-</u>                  | <u>-</u>                    | <u>2,271</u>          | <u>5,046</u>             | <u>7,577</u>           | <u>14,894</u>    |
| Net total receivables              | <u>\$ 19,968</u>          | <u>\$ 1,196</u>             | <u>\$ 28,150</u>      | <u>\$ 21,068</u>         | <u>\$ 24,270</u>       | <u>\$ 94,652</u> |

**3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

**Primary Government**

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Adjustments</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|-------------------|------------------|--------------------|---------------------------|
| <b>Governmental Activities:</b>                |                              |                   |                  |                    |                           |
| Capital assets, not being depreciated:         |                              |                   |                  |                    |                           |
| Land   | \$ 332,700                   | \$ 31,206         | \$ -             | \$ -               | \$ 363,906                |
| Construction in Progress                       | <u>-</u>                     | <u>44,750</u>     | <u>-</u>         | <u>-</u>           | <u>44,750</u>             |
| Total capital assets<br>not being depreciated  | <u>332,700</u>               | <u>75,956</u>     | <u>-</u>         | <u>-</u>           | <u>408,656</u>            |
| Capital assets, being depreciated:             |                              |                   |                  |                    |                           |
| Infrastructure                                 | 4,814,664                    | 163,449           | -                | -                  | 4,978,113                 |
| Building and improvements                      | 1,599,573                    | 29,059            | -                | -                  | 1,628,632                 |
| Equipment and vehicles                         | <u>1,299,624</u>             | <u>55,056</u>     | <u>-</u>         | <u>-</u>           | <u>1,354,680</u>          |
| Total capital assets<br>being depreciated      | <u>7,713,861</u>             | <u>247,564</u>    | <u>-</u>         | <u>-</u>           | <u>7,961,425</u>          |
| Less accumulated depreciation:                 |                              |                   |                  |                    |                           |
| Infrastructure                                 | (2,344,117)                  | ( 160,491)        | -                | -                  | ( 2,504,608)              |
| Building and improvements                      | ( 945,144)                   | ( 41,724)         | -                | -                  | ( 986,868)                |
| Equipment and vehicles                         | <u>( 901,882)</u>            | <u>( 70,047)</u>  | <u>-</u>         | <u>-</u>           | <u>( 971,929)</u>         |
| Total accumulated depreciation                 | <u>(4,191,143)</u>           | <u>( 272,262)</u> | <u>-</u>         | <u>-</u>           | <u>( 4,463,405)</u>       |
| Total capital assets being<br>depreciated, net | <u>3,522,718</u>             | <u>( 24,698)</u>  | <u>-</u>         | <u>-</u>           | <u>3,498,020</u>          |
| Governmental activities capital<br>assets, net | <u>\$ 3,855,418</u>          | <u>\$ 51,258</u>  | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 3,906,676</u>       |

**3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital Assets** (continued)

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Adjustments</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|--------------------|------------------|--------------------|---------------------------|
| <b>Business-type Activities:</b>                |                              |                    |                  |                    |                           |
| Capital assets, not being depreciated:          |                              |                    |                  |                    |                           |
| Land  | \$ 179,500                   | \$ -               | \$ -             | \$ -               | \$ 179,500                |
| Total capital assets<br>not being depreciated   | <u>179,500</u>               | <u>-</u>           | <u>-</u>         | <u>-</u>           | <u>179,500</u>            |
| Capital assets, being depreciated:              |                              |                    |                  |                    |                           |
| Building and improvements                       | 1,603,072                    | -                  | -                | -                  | 1,603,072                 |
| Equipment and vehicles                          | <u>20,652</u>                | <u>-</u>           | <u>-</u>         | <u>-</u>           | <u>20,652</u>             |
| Total capital assets<br>being depreciated       | <u>1,623,724</u>             | <u>-</u>           | <u>-</u>         | <u>-</u>           | <u>1,623,724</u>          |
| Less accumulated depreciation:                  |                              |                    |                  |                    |                           |
| Building and improvements                       | ( 828,602)                   | ( 40,931)          | -                | ( 38,452)          | ( 907,985)                |
| Equipment and vehicles                          | <u>( 58,354)</u>             | <u>( 250)</u>      | <u>-</u>         | <u>38,452</u>      | <u>( 20,152)</u>          |
| Total accumulated depreciation                  | <u>( 886,956)</u>            | <u>( 41,181)</u>   | <u>-</u>         | <u>-</u>           | <u>( 928,137)</u>         |
| Total capital assets being<br>depreciated, net  | <u>736,768</u>               | <u>( 41,181)</u>   | <u>-</u>         | <u>-</u>           | <u>695,587</u>            |
| Business-type activities capital<br>assets, net | <u>\$ 916,268</u>            | <u>\$( 41,181)</u> | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 875,087</u>         |

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

|  |                   |
|--|-------------------|
| Governmental Activities:                               |                   |
| General government                                     | \$ 24,448         |
| Public safety  | 82,057            |
| Health & Welfare                                       | 5,060             |
| Public Works   | <u>160,697</u>    |
| Total depreciation expense - Governmental Activities:  | <u>\$ 272,262</u> |
| Business-type Activities:                              |                   |
| Joint Utility  | <u>\$ 41,181</u>  |
| Total depreciation expense - Business-type Activities: | <u>\$ 41,181</u>  |

**3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Interfund Receivables, Payables and Transfers**

The outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Inter-fund receivables and payables at June 30, 2013 were as follows:

| Fund Description | <u>Due from<br/>other funds</u> | <u>Due to<br/>other funds</u> |
|------------------|---------------------------------|-------------------------------|
| General Fund     | \$ 13,660                       | \$ -                          |
| Municipal Street | 1,440                           | -                             |
| Non-Major        | <u>-</u>                        | <u>15,100</u>                 |
|                  | <u>\$ 15,100</u>                | <u>\$ 15,100</u>              |

Operating Transfers:

Transfers between funds are used to (1) move capital project outlay to the fund which received the benefit from the outlay, and (2) to move the allocation of payments between funds.

|                     | <u>Transfers out</u> |                       |                          | <u>Total</u>     |
|---------------------|----------------------|-----------------------|--------------------------|------------------|
|                     | <u>General</u>       | <u>Non-<br/>Major</u> | <u>Joint<br/>Utility</u> |                  |
| Transfers In:       |                      |                       |                          |                  |
| Non-Major           | \$ <u>3,672</u>      | \$ <u>-</u>           | \$ <u>22,098</u>         | \$ <u>25,770</u> |
| Total transfers out | 3,672                | -                     | 22,098                   | 25,770           |
| Less transfers in   | <u>-</u>             | <u>( 17,895)</u>      | <u>( 7,875)</u>          | <u>( 25,770)</u> |
| Net transfers       | <u>\$ 3,672</u>      | <u>\$ ( 17,895)</u>   | <u>\$ 14,223</u>         | <u>\$ -</u>      |

**Advances**

Advances represent grants from the New Mexico Department of Transportation for the Cooperative agreement D13488 (COOP) and the MAP-7607(911). Both grants advanced 100% of the available funds upon award. As of June 30, 2013, the Village had unspent funds totaling \$6,950 from the COOP award, and \$137,948 from the MAP-7607(911) award.

**Short Term Debt**

The Village does not have any short-term debt.

**3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Long Term Debt – Governmental activities**

The Village entered into a loan agreement with the New Mexico Finance Authority (NMFA), pursuant to Village Resolution No. 2007-14, dated August 10, 2007. The proceeds of the note were used for the acquisitions of a fire pumper truck. The Principal amount of the loan was \$200,000, with 3.504% interest, including an administrative fee. Principal payments are due May 1<sup>st</sup> of every year and interest payments are due November 1<sup>st</sup> and May 1<sup>st</sup> of every year. The note matures in 2018. Revenues pledged to the repayment of this loan are from the annual State Fire Protection Fund distribution.

The Village entered into a loan agreement with the New Mexico Environment Department (NMED), pursuant to Village Ordinance 2009-06, approved on October 20, 2009, Amended Ordinance 2009-08 approved on November 17, 2009 and Amended Ordinance 2010-02 approved on February 8, 2012. A sub-grant of funds from a federal grant to NMED under ARRA was also part of the loan agreement and will be used for the purpose of subsidizing the amount loaned to the Village. The amount of the loan subsidy was \$466,698. The proceeds of the note and grant were used for the purpose of design and construction of a lagoon for the wastewater facilities. The principal amount of the loan was \$199,978, with 3.00% interest, including an administrative fee. Principal and interest payments are due June 3rd of every year. The note matures in 2032. Revenues pledged to the repayment of this loan are from the net revenues of the Joint Utility fund.

Annual debt service requirements for notes payable are as follows:

| June 30,    | Notes             |                  | Total             |
|-------------|-------------------|------------------|-------------------|
|             | Principal         | Interest         |                   |
| 2014        | \$ 26,960         | \$ 8,851         | \$ 35,811         |
| 2015        | 27,908            | 7,856            | 35,764            |
| 2016        | 28,892            | 6,814            | 35,706            |
| 2017        | 29,918            | 5,726            | 35,644            |
| 2018        | 37,991            | 5,511            | 43,502            |
| 2019 - 2023 | 47,182            | 17,593           | 64,775            |
| 2024 - 2028 | 54,692            | 10,698           | 65,390            |
| 2029 - 2032 | <u>49,964</u>     | <u>3,251</u>     | <u>53,215</u>     |
|             | <u>\$ 303,507</u> | <u>\$ 66,300</u> | <u>\$ 369,807</u> |

The NMED loan agreement requires certain reserve accounts be set up to help insure the successful repayment of the loan. The following schedule shows the amounts calculated for each reserve required as of June 30, 2013.

| Next<br>Payment<br>Due | Annual<br>Loan<br>Repayment<br>Required | Debt<br>Service<br>Reserve | Replacement<br>Reserve<br>Account |
|------------------------|---|----------------------------|-----------------------------------|
| June 3, 2014           | \$ 13,442                               | \$ 13,444                  | \$ 33,335                         |

**3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Long Term Debt – Governmental activities** (continued)

At June 30, 2013 the Village had restricted cash in the following debt service funds:

| <u>Fund</u>                         | <u>Restricted<br/>Cash</u> |
|-------------------------------------|----------------------------|
| Debt Service Reserve Fund           | \$ 13,444                  |
| Replacement Reserve Fund            | 30,000                     |
| Debt Service Fund                   | <u>20,504</u>              |
| Cash restricted for<br>debt service | <u>\$ 63,948</u>           |

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2013, was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental activities</b>                     |                              |                  |                   |                           |                                |
| Loans  | \$ 331,020                   | \$ -             | \$ 27,513         | \$ 303,507                | \$ 26,960                      |
| Compensated absences                               | <u>12,176</u>                | <u>10,344</u>    | <u>1,462</u>      | <u>21,058</u>             | <u>-</u>                       |
| Governmental activities-<br>long-term liabilities  | <u>\$ 343,196</u>            | <u>\$ 10,344</u> | <u>\$ 28,975</u>  | <u>\$ 324,565</u>         | <u>\$ 26,960</u>               |
| <br><b>Business type activities</b>                |                              |                  |                   |                           |                                |
| Compensated absences                               | \$ <u>1,136</u>              | \$ <u>1,961</u>  | \$ <u>32</u>      | \$ <u>3,065</u>           | \$ <u>3,065</u>                |
| Business type activities-<br>long-term liabilities | <u>\$ 1,136</u>              | <u>\$ 1,961</u>  | <u>\$ 32</u>      | <u>\$ 3,065</u>           | <u>\$ 3,065</u>                |

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

**Accrued Legal Expenses**

The Village of Eagle Nest incurred a significant amount of legal fees in an election dispute in a prior year. The Village owed approximately \$59,891. This balance is being paid off at the rate of \$1,000 per month. At June 30, 2013, the Village had paid this in full.

### 3. DETAILED NOTES ON ALL FUNDS (Continued)

#### **Restricted Net Position/Reserved Fund Balances**

The cash balances for the meter and encroachment deposit accounts are restricted in the amount of \$10,484 and \$2,848, respectively. The cash balances associated with advances has also been restricted in the amount of \$144,898 and cash balances for debt service payments have been restricted in the amount of \$63,948. Therefore, total cash balances of \$222,178 are reported as restricted in the government-wide financial statements.

#### **Post-Employment Benefits:**

##### **Public Employees Retirement Association**

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

**Funding Policy.** Plan members are required to contribute 7% to 8% of their gross salary. The Village is required to contribute 7% to 11% of the gross covered salary. The contribution requirements of plan members and the Village are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$11,910, \$12,341, and \$12,143, respectively, which equal the amount of the required contributions for each fiscal year.

##### **State Retiree Health Care Plan**

The Retiree Health Care Act (the "Act"), Chapter 10, Article 7C, NMSA, 1978, provides comprehensive core group health insurance for person who have retired from certain public service in New Mexico. As authorized under Section 9D of Chapter 6, Laws of 1990, the Village has elected not to participate in the program by adoption of an ordinance.

#### **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; injuries to employees; and natural disasters. The Village has obtained insurance through the Self Insurance Fund operating as a common risk management and insurance program. The Village pays an annual premium to the New Mexico Self Insurers Fund for its general insurance coverage and all risk of loss is transferred. No losses were reported or incurred during the year.



3. **DETAILED NOTES ON ALL FUNDS** (Continued)

**Joint Powers and Cooperative Agreements**

**Law Enforcement Services**

The Village entered into an agreement with Colfax County, dated July 1, 2012, for law enforcement services to be provided by the Colfax County Sheriff.

The Village qualified for LEP funds in the amount of \$20,000. The Village agrees that this money will be used to purchase qualified law enforcement property, equipment and purposes and will be dedicated and maintained for the exclusive use of members of the Colfax County Sheriff's Office. The Colfax County Sheriff agrees to provide four man hours of law enforcement coverage within the municipal limits of the Village per day or, alternately six man hours per day for a five day period.

This agreement is effective for the fiscal year ending June 30, 2013 and is subject to obtainment and receipt by the Village of LEP funds.

**Taos Regional Landfill Board**

This agreement is for the purpose of establishing, financing and operating the Taos Regional Landfill Facility and is between the following participants:

|                   |                            |
|-------------------|----------------------------|
| County of Taos    | Village of Red River       |
| Town of Taos      | Village of Eagle Nest      |
| Village of Questa | Village of Taos Ski Valley |

The County of Taos is to act as the fiscal agent and administrator of the Taos Regional Landfill. This agreement is effective starting June 19, 2001 and will continue for fifty years.

**Energy, Minerals and Natural Resources Department**

This agreement is for wildland fire protection and suppression, was entered on April 15, 2008 and continues indefinitely. Both parties agree to cooperate and participate in the suppression of any wildland fires.

**Refuse Collection**

This agreement is between the Village of Eagle Nest and Colfax County for the collection and disposal of refuse from real property located within the county boundaries. The Village will furnish a solid waste disposal at a site determined by the County. Residents that are located in the subject property will be charged a fee set by the Village and approved by the Colfax County Board of Commissioners. The Village will do the billing and collection of fees.

This agreement is effective starting December 18, 2001 and will continue in effect from year to year unless one of the parties notifies the other of its termination.

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

**Joint Powers and Cooperative Agreements** (continued)

**Emergency Medical Services**

The Village entered into a cooperative agreement in July 22, 2009, for Emergency Medical Services which will provide for cooperative interagency assistance and response to large scale EMS incidents. This agreement is referred to as “The Enchanted Circle EMS Cooperative Agreement” and is in conjunction with agencies in the areas of Taos, Colfax, and Mora Counties. Each agency agrees to supply personnel, equipment, and services to assist and aid any other participating agency as deemed necessary. No party to this agreement shall be entitled to any reimbursement for all or any part of costs incurred in furnishing interagency assistance. This agreement is in effect until June 30, 2015.

**Capital Outlay Appropriations**

The Village’s capital outlay appropriations are as follows:

| <u>Capital Project</u>                           | <u>Project Appropriations</u> | <u>Expenditures to Date</u> | <u>Unexpended Balance</u> | <u>Appropriation Period</u> |
|--|-------------------------------|-----------------------------|---------------------------|-----------------------------|
| Roadway Reconstruction and Drainage Improvements | <u>40,000</u>                 | <u>40,000</u>               | <u>-</u>                  | 8/11 to 12/12               |
| Total  | <u>\$ 40,000</u>              | <u>\$ 40,000</u>            | <u>\$ -</u>               |                             |

The term of the grants are contingent upon sufficient state appropriations and may be reverted prior to the expiration dates.

## **SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

**SPECIAL REVENUE FUNDS**

**Local Corrections Fund** – authorized by State Statute Chapter 35, Section 14-11 and is used to account for the proceeds collected from a correction fee charged to persons violating the law relating to the operations of a motor vehicle.

**EMS Fund** – authorized by State Statute 24-10A-1 to 24-10A-10, to account for operations of emergency medical and trauma services. Financing is provided by the EMS grant.

**Law Enforcement Fund** – authorized by NMSA 29-13-12, to account for grant funds used for maintenance and development of the Village’s police force.

**Library Fund** – is used to account for the operations and maintenance of the Village library. Funding is provided by a state grant under Section 18-2-4b NMSA, 1978.

**Lodgers’ Tax Fund** – authorized by NMSA 1978 Section 3-38-13 and is used to account for a lodger’s tax imposed and used for cultural and recreational purposes.

**Recreation Fund** – authorized by NMSA 7-12-1 and 7-12-15, to account for the operation and maintenance of recreational facilities in the Village. Financing is provided by a specific annual cigarette tax levy.

**Senior Citizen’s Fund** – to account for program income and expenditure related to the Senior Citizen’s program. Authority is Village ordinance and DHHS 45 CFR Part 92.

**Water Rights Fund** – authorized by Village Council Resolution 2004-13. This fund is used to account for the fees charged for water rights and expenditures made to obtain water rights.

**Activities Fund** – authorized by Village Resolution 76-6, to account for revenues raised and expenditures of promotional activities of the Village.

**Beautification Fund** – to account for the proceeds of a state appropriation for economic development planning purposes. Authority is granted in prior years by the State of New Mexico.

**Enchanted Eagle Park** – to account for donations and related expenditures for a recreational use park within the Village. Authority is a legally adopted budget, NMSA 1978 6-6-5.

**Aquaponics Fund** – to account for the grant funds from the NM Centennial Foundation for an Aquaponics project. Authority is a legally adopted budget, NMSA 1978 6-6-5.

**Recycle Fund** – to account for revenues raised and expenditures of the recycling activities of the Village. Authority is Ordinance Resolution 76-7.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

**CAPITAL PROJECT FUNDS**

**Ambulance Replacement Fund** – authorized by Village council Ordinance 73-12, to account for the funds designated by the Village Council for ambulance replacement.

**Public Works Vehicle Replacement Fund** – authorized by Village Council Resolution 93-14, to account for funds designated by Council for the purchase of vehicles for public works projects.

**2008 State Coop Fund** – to account for receipts under a state co-op grant and expenditures relating to the highway improvement. Authority is a Co-op agreement with the New Mexico Department of Transportation.

**Demolition Fund** – to account for funds received under a state capital appropriation project to remove asbestos, including demolition and debris removal, from abandoned buildings in Enchanted Eagle Park. Authority is Sections 9-6-5 and 9-6-5.1 NMSA 1978.

**CDBG Fund** – to account for receipts under the Community Development Block Grant and expenditures related to the grant. Authority is Title 1 of the Housing and Community Development Act of 1974.

**NMED-SWD** - accounts for the grant funds used to establish or modify solid waste facilities. Authorized by the Solid Waste Act, NMSA 1978 paragraph 74-9-40.

**DEBT SERVICE FUNDS**

**Debt Service Reserve** – to account for monies set aside from the joint utility revenue each month to accumulate a reserve for payment of the waste water improvement loan. Authority is Village Ordinance No. 2010-02 and the loan agreement with the New Mexico Environment Department, Loan Number ARRA CWSRF 05.

**Replacement Reserve** – To account for monies set-aside in reserve for any maintenance to the joint utility system in the case of an emergency. Authority is Village Ordinance No. 2010-02 and the loan agreement with the New Mexico Environment Department, Loan Number ARRA CWSRF 05.

**Debt Service Fund** – To account for monies set-aside to pay the principal and interest on the NMED/ARRA loan when due. Authority is Village Ordinance No. 2010-02 and the loan agreement with the New Mexico Environment Department, Loan Number ARRA CWSRF 05.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | Special Revenue      |                  |                    |                 |
|--|----------------------|------------------|--------------------|-----------------|
|  | Local<br>Corrections | EMS              | Law<br>Enforcement | Library         |
| <b>Assets</b>                              |                      |                  |                    |                 |
| Cash                                       | \$ 4,812             | \$ 14,267        | \$ 22,487          | \$ 6,183        |
| Investments                                | 4,465                | 8,479            | 3,297              | 333             |
| Accounts receivable                        | -                    | 9,404            | -                  | -               |
| Restricted cash                            | -                    | -                | -                  | -               |
| <b>Total assets</b>                        | <b>\$ 9,277</b>      | <b>\$ 32,150</b> | <b>\$ 25,784</b>   | <b>\$ 6,516</b> |
| <b>Liabilities and Fund Balances</b>       |                      |                  |                    |                 |
| <b>Liabilities:</b>                        |                      |                  |                    |                 |
| Due to other funds                         | \$ -                 | \$ -             | \$ -               | \$ -            |
| <b>Total liabilities</b>                   | -                    | -                | -                  | -               |
| <b>Fund balances:</b>                      |                      |                  |                    |                 |
| Restricted for:                            |                      |                  |                    |                 |
| Special revenue                            | 9,277                | 32,150           | 25,784             | 6,516           |
| Capital projects                           | -                    | -                | -                  | -               |
| Debt service                               | -                    | -                | -                  | -               |
| <b>Total fund balances</b>                 | 9,277                | 32,150           | 25,784             | 6,516           |
| <b>Total liabilities and fund balances</b> | <b>\$ 9,277</b>      | <b>\$ 32,150</b> | <b>\$ 25,784</b>   | <b>\$ 6,516</b> |

The notes to the financial statements are an integral part of this statement.



**Special Revenue**

| <b>Lodgers'<br/>Tax</b> | <b>Recreation</b> | <b>Senior<br/>Citizen's</b> | <b>Water<br/>Rights</b> | <b>Activities</b> | <b>Beautification</b> | <b>Enchanted<br/>Eagle<br/>Park</b> |
|-------------------------|-------------------|-----------------------------|-------------------------|-------------------|-----------------------|-------------------------------------|
| \$ 24,421               | \$ 903            | \$ -                        | \$ 3,448                | \$ 225            | \$ 831                | \$ 804                              |
| 2,023                   | 462               | -                           | 571                     | 3,408             | -                     | -                                   |
| 6,805                   | -                 | 6,166                       | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| <u>\$ 33,249</u>        | <u>\$ 1,365</u>   | <u>\$ 6,166</u>             | <u>\$ 4,019</u>         | <u>\$ 3,633</u>   | <u>\$ 831</u>         | <u>\$ 804</u>                       |
| -                       | \$ -              | \$ 3,489                    | \$ -                    | \$ -              | \$ -                  | \$ -                                |
| -                       | -                 | 3,489                       | -                       | -                 | -                     | -                                   |
| 33,249                  | 1,365             | 2,677                       | 4,019                   | 3,633             | 831                   | 804                                 |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| <u>33,249</u>           | <u>1,365</u>      | <u>2,677</u>                | <u>4,019</u>            | <u>3,633</u>      | <u>831</u>            | <u>804</u>                          |
| <u>\$ 33,249</u>        | <u>\$ 1,365</u>   | <u>\$ 6,166</u>             | <u>\$ 4,019</u>         | <u>\$ 3,633</u>   | <u>\$ 831</u>         | <u>\$ 804</u>                       |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | Special Revenue |                  | Total<br>Special<br>Revenue<br>Funds |
|--|-----------------|------------------|--------------------------------------|
|  | Aquaponics      | Recycle          |                                      |
| <b>Assets</b>                              |                 |                  |                                      |
| Cash                                       | \$ 974          | \$ 2,611         | \$ 81,966                            |
| Investments                                | -               | 12,327           | 35,365                               |
| Accounts receivable                        | -               | -                | 22,375                               |
| Restricted cash                            | -               | -                | -                                    |
| <b>Total assets</b>                        | <b>\$ 974</b>   | <b>\$ 14,938</b> | <b>\$ 139,706</b>                    |
| <b>Liabilities and Fund Balances</b>       |                 |                  |                                      |
| <b>Liabilities:</b>                        |                 |                  |                                      |
| Due to other funds                         | \$ -            | \$ -             | \$ 3,489                             |
| <b>Total liabilities</b>                   | -               | -                | 3,489                                |
| <b>Fund balances:</b>                      |                 |                  |                                      |
| Restricted for:                            |                 |                  |                                      |
| Special revenue                            | 974             | 14,938           | 136,217                              |
| Capital projects                           | -               | -                | -                                    |
| Debt service                               | -               | -                | -                                    |
| <b>Total fund balances</b>                 | 974             | 14,938           | 136,217                              |
| <b>Total liabilities and fund balances</b> | <b>\$ 974</b>   | <b>\$ 14,938</b> | <b>\$ 139,706</b>                    |

The notes to the financial statements are an integral part of this statement.

**Capital Project**

| <u>Ambulance Replacement</u> | <u>PW Vehicle Replacement</u> | <u>2008 State Coop</u> | <u>Demolition</u> | <u>CDBG</u>   | <u>NMED SWD</u> | <u>Total Capital Project Funds</u> |
|------------------------------|-------------------------------|------------------------|-------------------|---------------|-----------------|------------------------------------|
| \$ 14,525                    | \$ 10                         | \$ 3,277               | \$ -              | \$ 100        | \$ -            | \$ 17,912                          |
| 146                          | 2                             | -                      | -                 | -             | -               | 148                                |
| -                            | -                             | -                      | -                 | -             | 5,775           | 5,775                              |
| -                            | -                             | -                      | -                 | -             | -               | -                                  |
| <u>\$ 14,671</u>             | <u>\$ 12</u>                  | <u>\$ 3,277</u>        | <u>\$ -</u>       | <u>\$ 100</u> | <u>\$ 5,775</u> | <u>\$ 23,835</u>                   |
| <u>\$ -</u>                  | <u>\$ -</u>                   | <u>\$ -</u>            | <u>\$ -</u>       | <u>\$ -</u>   | <u>\$ 5,775</u> | <u>\$ 5,775</u>                    |
| -                            | -                             | -                      | -                 | -             | 5,775           | 5,775                              |
| 14,671                       | 12                            | -                      | -                 | -             | -               | 14,683                             |
| -                            | -                             | 3,277                  | -                 | 100           | -               | 3,377                              |
| -                            | -                             | -                      | -                 | -             | -               | -                                  |
| <u>14,671</u>                | <u>12</u>                     | <u>3,277</u>           | <u>-</u>          | <u>100</u>    | <u>-</u>        | <u>18,060</u>                      |
| <u>\$ 14,671</u>             | <u>\$ 12</u>                  | <u>\$ 3,277</u>        | <u>\$ -</u>       | <u>\$ 100</u> | <u>\$ 5,775</u> | <u>\$ 23,835</u>                   |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | Debt Service               |                        |                  |                                   |
|--|----------------------------|------------------------|------------------|-----------------------------------|
|  | Debt<br>Service<br>Reserve | Replacement<br>Reserve | Debt<br>Service  | Total<br>Debt<br>Service<br>Funds |
| <b>Assets</b>                              |                            |                        |                  |                                   |
| Cash                                       | \$ -                       | \$ -                   | \$ -             | \$ -                              |
| Investments                                | -                          | -                      | -                | -                                 |
| Accounts receivable                        | -                          | -                      | -                | -                                 |
| Restricted cash                            | 13,444                     | 30,000                 | 20,504           | 63,948                            |
| <b>Total assets</b>                        | <b>\$ 13,444</b>           | <b>\$ 30,000</b>       | <b>\$ 20,504</b> | <b>\$ 63,948</b>                  |
| <b>Liabilities and Fund Balances</b>       |                            |                        |                  |                                   |
| <b>Liabilities:</b>                        |                            |                        |                  |                                   |
| Due to other funds                         | \$ -                       | \$ -                   | \$ -             | \$ -                              |
| <b>Total liabilities</b>                   | -                          | -                      | -                | -                                 |
| <b>Fund balances:</b>                      |                            |                        |                  |                                   |
| Restricted for:                            |                            |                        |                  |                                   |
| Special revenue                            | -                          | -                      | -                | -                                 |
| Capital projects                           | -                          | -                      | -                | -                                 |
| Debt service                               | 13,444                     | 30,000                 | 20,504           | 63,948                            |
| <b>Total fund balances</b>                 | 13,444                     | 30,000                 | 20,504           | 63,948                            |
| <b>Total liabilities and fund balances</b> | <b>\$ 13,444</b>           | <b>\$ 30,000</b>       | <b>\$ 20,504</b> | <b>\$ 63,948</b>                  |

The notes to the financial statements are an integral part of this statement.

**Total  
Nonmajor  
Governmental  
Funds**

---

\$ 99,878  
35,513  
28,150  
63,948

\$ 227,489

\$ 9,264

9,264

150,900  
3,377  
63,948

218,225

\$ 227,489

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Special Revenue</u>       |                  |                            |                 |
|--|------------------------------|------------------|----------------------------|-----------------|
|  | <u>Local<br/>Corrections</u> | <u>EMS</u>       | <u>Law<br/>Enforcement</u> | <u>Library</u>  |
| <b>Revenues</b>  |                              |                  |                            |                 |
| Taxes  |                              |                  |                            |                 |
| Other state shared   | \$ -                         | \$ 5,000         | \$ -                       | \$ -            |
| Lodgers'   | -                            | -                | -                          | -               |
| Intergovernmental  |                              |                  |                            |                 |
| Federal  | -                            | -                | -                          | -               |
| State  | -                            | 7,000            | 20,000                     | 6,922           |
| Fines and forfeitures  | 520                          | -                | -                          | -               |
| Charges for services   | -                            | 14,598           | -                          | -               |
| Other  | -                            | 625              | -                          | 3,086           |
| Investment   | <u>7</u>                     | <u>13</u>        | <u>6</u>                   | <u>1</u>        |
| <b>Total revenues</b>  | <u>527</u>                   | <u>27,236</u>    | <u>20,006</u>              | <u>10,009</u>   |
| <b>Expenditures</b>  |                              |                  |                            |                 |
| <b>Current operations:</b>                                   |                              |                  |                            |                 |
| Culture and recreation                                       | -                            | -                | -                          | 9,828           |
| Public safety  | -                            | 16,110           | -                          | -               |
| Public works   | -                            | -                | -                          | -               |
| Health and welfare   | -                            | -                | -                          | -               |
| <b>Debt Service</b>  |                              |                  |                            |                 |
| Principal  | -                            | -                | -                          | -               |
| Interest   | -                            | -                | -                          | -               |
| <b>Capital outlay</b>  | <u>-</u>                     | <u>-</u>         | <u>33,581</u>              | <u>-</u>        |
| <b>Total expenditures</b>                                    | <u>-</u>                     | <u>16,110</u>    | <u>33,581</u>              | <u>9,828</u>    |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | 527                          | 11,126           | ( 13,575)                  | 181             |
| <b>Other financing sources (uses):</b>                       |                              |                  |                            |                 |
| Transfers in (out)   | <u>-</u>                     | <u>-</u>         | <u>-</u>                   | <u>-</u>        |
| <b>Net change in fund balances</b>                           | 527                          | 11,126           | ( 13,575)                  | 181             |
| <b>Fund balances, beginning of year</b>                      | <u>8,750</u>                 | <u>21,024</u>    | <u>39,359</u>              | <u>6,335</u>    |
| <b>Fund balances, end of year</b>                            | <u>\$ 9,277</u>              | <u>\$ 32,150</u> | <u>\$ 25,784</u>           | <u>\$ 6,516</u> |

The notes to the financial statements are an integral part of this statement.

**Special Revenue**

| <u>Lodgers'<br/>Tax</u> | <u>Recreation</u> | <u>Senior<br/>Citizen's</u> | <u>Water<br/>Rights</u> | <u>Activities</u> | <u>Beautification</u> | <u>Enchanted<br/>Eagle<br/>Park</u> |
|-------------------------|-------------------|-----------------------------|-------------------------|-------------------|-----------------------|-------------------------------------|
| \$ -                    | \$ -              | \$ -                        | \$ -                    | \$ -              | \$ -                  | \$ -                                |
| 32,634                  | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | 18,279                      | -                       | -                 | -                     | -                                   |
| -                       | -                 | 39,559                      | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | 8,728                       | -                       | -                 | -                     | -                                   |
| 10                      | -                 | -                           | -                       | 1,076             | -                     | 5,980                               |
| 2                       | -                 | -                           | -                       | 5                 | -                     | -                                   |
| <u>32,646</u>           | <u>-</u>          | <u>66,566</u>               | <u>-</u>                | <u>1,081</u>      | <u>-</u>              | <u>5,980</u>                        |
| 32,178                  | -                 | -                           | -                       | 1,000             | -                     | 7,718                               |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | 332                   | -                                   |
| -                       | -                 | 64,629                      | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| -                       | -                 | -                           | -                       | -                 | -                     | -                                   |
| <u>32,178</u>           | <u>-</u>          | <u>64,629</u>               | <u>-</u>                | <u>1,000</u>      | <u>332</u>            | <u>7,718</u>                        |
| 468                     | -                 | 1,937                       | -                       | 81                | ( 332)                | ( 1,738)                            |
| -                       | -                 | 3,672                       | -                       | -                 | -                     | -                                   |
| 468                     | -                 | 5,609                       | -                       | 81                | ( 332)                | ( 1,738)                            |
| <u>32,781</u>           | <u>1,365</u>      | <u>( 2,932)</u>             | <u>4,019</u>            | <u>3,552</u>      | <u>1,163</u>          | <u>2,542</u>                        |
| <u>\$ 33,249</u>        | <u>\$ 1,365</u>   | <u>\$ 2,677</u>             | <u>\$ 4,019</u>         | <u>\$ 3,633</u>   | <u>\$ 831</u>         | <u>\$ 804</u>                       |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Special Revenue</u> |                  | <b>Total<br/>Special<br/>Revenue<br/>Funds</b> |
|--|------------------------|------------------|--|
|  | <u>Aquaponics</u>      | <u>Recycle</u>   |  |
| <b>Revenues</b>  |                        |                  |  |
| Taxes  |                        |                  |  |
| Other state shared   | \$ -                   | \$ -             | \$ 5,000                                       |
| Lodgers'   | -                      | -                | 32,634   |
| Intergovernmental  |                        |                  |  |
| Federal  | -                      | -                | 18,279   |
| State  | -                      | -                | 73,481   |
| Fines and forfeitures  | -                      | -                | 520  |
| Charges for services   | -                      | -                | 23,326   |
| Other  | 8,275                  | -                | 19,052   |
| Investment   | -                      | 19               | 53   |
|  | <u>-</u>               | <u>19</u>        | <u>53</u>                                      |
| <b>Total revenues</b>  | <u>8,275</u>           | <u>19</u>        | <u>172,345</u>                                 |
| <b>Expenditures</b>  |                        |                  |  |
| <b>Current operations:</b>                                   |                        |                  |  |
| Culture and recreation                                       | 7,301                  | -                | 58,025   |
| Public safety  | -                      | -                | 16,110   |
| Public works   | -                      | -                | 332  |
| Health and welfare   | -                      | 24               | 64,653   |
| <b>Debt Service</b>  |                        |                  |  |
| Principal  | -                      | -                | -  |
| Interest   | -                      | -                | -  |
| <b>Capital outlay</b>  | <u>-</u>               | <u>-</u>         | <u>33,581</u>                                  |
| <b>Total expenditures</b>                                    | <u>7,301</u>           | <u>24</u>        | <u>172,701</u>                                 |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | 974                    | ( 5)             | ( 356)   |
| <b>Other financing sources (uses):</b>                       |                        |                  |  |
| Transfers in (out)   | <u>-</u>               | <u>-</u>         | <u>3,672</u>                                   |
| <b>Net change in fund balances</b>                           | 974                    | ( 5)             | 3,316  |
| <b>Fund balances, beginning of year</b>                      | <u>-</u>               | <u>14,943</u>    | <u>132,901</u>                                 |
| <b>Fund balances, end of year</b>                            | <u>\$ 974</u>          | <u>\$ 14,938</u> | <u>\$ 136,217</u>                              |

The notes to the financial statements are an integral part of this statement.



**Capital Project**

| <u>Ambulance Replacement</u> | <u>Public Works Vehicle Replacement</u> | <u>2008 State Coop</u> | <u>Demolition</u> | <u>CDBG</u>   | <u>NMED SWD</u> | <u>Total Capital Project Funds</u> |
|------------------------------|---|------------------------|-------------------|---------------|-----------------|------------------------------------|
| \$ -                         | \$ -                                    | \$ -                   | \$ -              | \$ -          | \$ -            | \$ -                               |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | 44,750        | -               | 44,750                             |
| -                            | -                                       | -                      | 31,206            | -             | 34,834          | 66,040                             |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| <u>-</u>                     | <u>-</u>                                | <u>-</u>               | <u>-</u>          | <u>-</u>      | <u>-</u>        | <u>-</u>                           |
| <u>-</u>                     | <u>-</u>                                | <u>-</u>               | <u>31,206</u>     | <u>44,750</u> | <u>34,834</u>   | <u>110,790</u>                     |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | -             | 5,775           | 5,775                              |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| -                            | -                                       | -                      | -                 | -             | -               | -                                  |
| <u>21,475</u>                | <u>-</u>                                | <u>-</u>               | <u>31,206</u>     | <u>44,750</u> | <u>29,059</u>   | <u>126,490</u>                     |
| <u>21,475</u>                | <u>-</u>                                | <u>-</u>               | <u>31,206</u>     | <u>44,750</u> | <u>34,834</u>   | <u>132,265</u>                     |
| ( 21,475)                    | -                                       | -                      | -                 | -             | -               | ( 21,475)                          |
| <u>-</u>                     | <u>-</u>                                | <u>-</u>               | <u>-</u>          | <u>-</u>      | <u>-</u>        | <u>-</u>                           |
| ( 21,475)                    | -                                       | -                      | -                 | -             | -               | ( 21,475)                          |
| <u>36,146</u>                | <u>12</u>                               | <u>3,277</u>           | <u>-</u>          | <u>100</u>    | <u>-</u>        | <u>39,535</u>                      |
| <u>\$ 14,671</u>             | <u>\$ 12</u>                            | <u>\$ 3,277</u>        | <u>\$ -</u>       | <u>\$ 100</u> | <u>\$ -</u>     | <u>\$ 18,060</u>                   |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | Debt Service               |                        |                 | Total<br>Debt<br>Service<br>Funds |
|--|----------------------------|------------------------|-----------------|-----------------------------------|
|  | Debt<br>Service<br>Reserve | Replacement<br>Reserve | Debt<br>Service |                                   |
| <b>Revenues</b>  |                            |                        |                 |                                   |
| Taxes  |                            |                        |                 |                                   |
| Other state shared   | \$ -                       | \$ -                   | \$ -            | \$ -                              |
| Lodgers'   | -                          | -                      | -               | -                                 |
| Intergovernmental  |                            |                        |                 |                                   |
| Federal  | -                          | -                      | -               | -                                 |
| State  | -                          | -                      | -               | -                                 |
| Fines and forfeitures  | -                          | -                      | -               | -                                 |
| Charges for services   | -                          | -                      | -               | -                                 |
| Other  | -                          | -                      | -               | -                                 |
| Investment   | -                          | -                      | -               | -                                 |
|  | -                          | -                      | -               | -                                 |
| <b>Total revenues</b>  | -                          | -                      | -               | -                                 |
| <b>Expenditures</b>  |                            |                        |                 |                                   |
| <b>Current operations:</b>                                   |                            |                        |                 |                                   |
| Culture and recreation                                       | -                          | -                      | -               | -                                 |
| Public safety  | -                          | -                      | -               | -                                 |
| Public works   | -                          | -                      | -               | -                                 |
| Health and welfare   | -                          | -                      | -               | -                                 |
| <b>Debt Service</b>  |                            |                        |                 |                                   |
| Principal  | -                          | -                      | 7,464           | 7,464                             |
| Interest   | -                          | -                      | 5,978           | 5,978                             |
| <b>Capital outlay</b>  | -                          | -                      | -               | -                                 |
| <b>Total expenditures</b>                                    | -                          | -                      | 13,442          | 13,442                            |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | -                          | -                      | ( 13,442)       | ( 13,442)                         |
| <b>Other financing sources (uses):</b>                       |                            |                        |                 |                                   |
| Transfers in (out)   | -                          | -                      | 14,223          | 14,223                            |
| <b>Net change in fund balances</b>                           | -                          | -                      | 781             | 781                               |
| <b>Fund balances, beginning of year</b>                      | 13,444                     | 30,000                 | 19,723          | 63,167                            |
| <b>Fund balances, end of year</b>                            | \$ 13,444                  | \$ 30,000              | \$ 20,504       | \$ 63,948                         |

The notes to the financial statements are an integral part of this statement.

**Total  
Nonmajor  
Governmental  
Funds**

---

\$ 5,000  
32,634

63,029  
139,521  
520  
23,326  
19,052  
53

283,135

58,025  
16,110  
6,107  
64,653

7,464  
5,978  
160,071

318,408

( 35,273)

17,895

( 17,378)

235,603

\$ 218,225

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
LOCAL CORRECTIONS FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|-----------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>    |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                 |                           |   |
| Fines and forfeitures              | \$ 1,275                | \$ 1,275        | \$ 520                    | \$( 755)  |
| Investment                         | -                       | -               | 7                         | 7   |
| <b>Total revenues</b>              | <u>1,275</u>            | <u>1,275</u>    | <u>527</u>                | <u>( 748)</u>   |
| <b>Expenditures</b>                |                         |                 |                           |   |
| <b>Current operations:</b>         |                         |                 |                           |   |
| Public safety                      | <u>1,350</u>            | <u>1,350</u>    | -                         | <u>1,350</u>  |
| <b>Total expenditures</b>          | <u>1,350</u>            | <u>1,350</u>    | -                         | <u>1,350</u>  |
| <b>Net change in fund balances</b> | <u>\$( 75)</u>          | <u>\$( 75)</u>  | <u>\$ 527</u>             | <u>\$ 602</u>   |
| Beginning cash                     | <u>\$ 8,750</u>         | <u>\$ 8,750</u> |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
EMS FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                        |                         |                  |                           |   |
| Taxes:                                 |                         |                  |                           |   |
| Other state shared                     | \$ 5,000                | \$ 5,000         | \$ 5,000                  | \$ -  |
| Intergovernmental                      |                         |                  |                           |   |
| State                                  | 7,000                   | 7,000            | 7,000                     | -   |
| Charges for services                   | 11,062                  | 11,062           | 11,172                    | 110   |
| Investment                             | 13                      | 13               | 13                        | -   |
| Miscellaneous                          | <u>625</u>              | <u>625</u>       | <u>625</u>                | <u>-</u>  |
| <b>Total revenues</b>                  | <u>23,700</u>           | <u>23,700</u>    | <u>23,810</u>             | <u>110</u>  |
| <b>Expenditures</b>                    |                         |                  |                           |   |
| <b>Current operations:</b>             |                         |                  |                           |   |
| Public safety                          | <u>21,247</u>           | <u>21,247</u>    | <u>16,110</u>             | <u>5,137</u>  |
| <b>Total expenditures</b>              | <u>21,247</u>           | <u>21,247</u>    | <u>16,110</u>             | <u>5,137</u>  |
| <b>Net change in fund balances</b>     | <u>\$ 2,453</u>         | <u>\$ 2,453</u>  | 7,700                     | <u>\$ 5,247</u>   |
| Beginning cash                         | <u>\$ 15,046</u>        | <u>\$ 15,046</u> |                           |   |
| <b>RECONCILIATION TO GAAP BASIS</b>    |                         |                  |                           |   |
| Change in receivables                  |                         |                  | <u>3,426</u>              |   |
| Net change in fund balances GAAP basis |                         |                  | <u>\$ 11,126</u>          |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
LAW ENFORCEMENT PROTECTION FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u>    |                            | <u>Actual<br/>Amounts</u>  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------------|----------------------------|----------------------------|---|
|  | <u>Original</u>            | <u>Final</u>               |                            | <u>(Negative)</u>                                       |
| <b>Revenues</b>                        |                            |                            |                            |   |
| Intergovernmental                      |                            |                            |                            |   |
| State                                  | \$ 20,000                  | \$ 20,000                  | \$ 20,000                  | \$ -  |
| Investment                             | <u>15</u>                  | <u>15</u>                  | <u>6</u>                   | <u>( 9)</u>   |
| <b>Total revenues</b>                  | <u>20,015</u>              | <u>20,015</u>              | <u>20,006</u>              | <u>( 9)</u>   |
| <b>Expenditures</b>                    |                            |                            |                            |   |
| <b>Capital outlay</b>                  | <u>38,000</u>              | <u>38,000</u>              | <u>15,581</u>              | <u>22,419</u>   |
| <b>Total expenditures</b>              | <u>38,000</u>              | <u>38,000</u>              | <u>15,581</u>              | <u>22,419</u>   |
| <b>Net change in fund balances</b>     | <u><u>\$ ( 17,985)</u></u> | <u><u>\$ ( 17,985)</u></u> | 4,425                      | <u><u>\$ 22,410</u></u>                                 |
| Beginning cash                         | <u><u>\$ 21,359</u></u>    | <u><u>\$ 21,359</u></u>    |                            |   |
| <b>RECONCILIATION TO GAAP BASIS</b>    |                            |                            |                            |   |
| Change in deposits                     |                            |                            | <u>( 18,000)</u>           |   |
| Net change in fund balances GAAP basis |                            |                            | <u><u>\$ ( 13,575)</u></u> |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
LIBRARY FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u> |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>    |                   | <u>(Negative)</u>                                       |
| <b>Revenues</b>                               |                         |                 |                   |   |
| Intergovernmental                             |                         |                 |                   |   |
| State   | \$ 6,412                | \$ 9,544        | \$ 9,544          | \$ -  |
| Investment                                    | 1                       | 1               | 1                 | -   |
| Miscellaneous                                 | <u>3,086</u>            | <u>3,086</u>    | <u>3,086</u>      | <u>-</u>  |
| <b>Total revenues</b>                         | <u>9,499</u>            | <u>12,631</u>   | <u>12,631</u>     | <u>-</u>  |
| <b>Expenditures</b>                           |                         |                 |                   |   |
| <b>Current operations:</b>                    |                         |                 |                   |   |
| Culture and recreation                        | <u>9,316</u>            | <u>9,828</u>    | <u>9,828</u>      | <u>-</u>  |
| <b>Total expenditures</b>                     | <u>9,316</u>            | <u>9,828</u>    | <u>9,828</u>      | <u>-</u>  |
| <b>Net change in fund balances</b>            | \$ <u>183</u>           | \$ <u>2,803</u> | 2,803             | \$ <u>-</u>   |
| Beginning cash                                | \$ <u>3,713</u>         | \$ <u>3,713</u> |                   |   |
| <b>RECONCILIATION TO GAAP BASIS</b>           |                         |                 |                   |   |
| Change in receivables                         |                         |                 | ( <u>2,622</u> )  |   |
| <b>Net change in fund balances GAAP basis</b> |                         |                 | <u>\$ 181</u>     |   |

The notes to the financial statements are an integral part of this statement.



**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
LODGERS' TAX FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                        |                         |                   |                           |   |
| Taxes:                                 |                         |                   |                           |   |
| Lodgers'                               | \$ 37,818               | \$ 37,818         | \$ 37,860                 | \$ 42   |
| Investment                             | -                       | -                 | 2                         | 2   |
| Miscellaneous                          | <u>55</u>               | <u>55</u>         | <u>10</u>                 | <u>(45)</u>   |
| <b>Total revenues</b>                  | <u>37,873</u>           | <u>37,873</u>     | <u>37,872</u>             | <u>(1)</u>  |
| <b>Expenditures</b>                    |                         |                   |                           |   |
| <b>Current operations:</b>             |                         |                   |                           |   |
| Culture and recreation                 | <u>42,301</u>           | <u>42,301</u>     | <u>32,178</u>             | <u>10,123</u>   |
| <b>Total expenditures</b>              | <u>42,301</u>           | <u>42,301</u>     | <u>32,178</u>             | <u>10,123</u>   |
| <b>Net change in fund balances</b>     | <u>\$ (4,428)</u>       | <u>\$ (4,428)</u> | 5,694                     | <u>\$ 10,122</u>  |
| Beginning cash                         | <u>\$ 20,750</u>        | <u>\$ 20,750</u>  |                           |   |
| <b>RECONCILIATION TO GAAP BASIS</b>    |                         |                   |                           |   |
| Change in receivables                  |                         |                   | <u>(5,226)</u>            |   |
| Net change in fund balances GAAP basis |                         |                   | <u>\$ 468</u>             |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SENIOR CITIZEN'S FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                 | <u>Actual</u>   | <u>Variance with</u> |
|--|-------------------------|-----------------|-----------------|----------------------|
|  | <u>Original</u>         | <u>Final</u>    | <u>Amounts</u>  | <u>Final Budget</u>  |
|  |                         |                 |                 | <u>Positive</u>      |
|  |                         |                 |                 | <u>(Negative)</u>    |
| <b>Revenues</b>  |                         |                 |                 |                      |
| Intergovernmental  |                         |                 |                 |                      |
| Federal  | \$ 18,437               | \$ 18,437       | \$ 16,619       | \$( 1,818)           |
| State  | 29,588                  | 38,841          | 35,053          | ( 3,788)             |
| Charges for services                                     | <u>9,500</u>            | <u>9,500</u>    | <u>8,728</u>    | <u>( 772)</u>        |
| <b>Total revenues</b>                                    | <u>57,525</u>           | <u>66,778</u>   | <u>60,400</u>   | <u>( 6,378)</u>      |
| <b>Expenditures</b>                                      |                         |                 |                 |                      |
| <b>Current operations:</b>                               |                         |                 |                 |                      |
| Health and welfare                                       | <u>53,854</u>           | <u>64,788</u>   | <u>64,629</u>   | <u>159</u>           |
| <b>Total expenditures</b>                                | <u>53,854</u>           | <u>64,788</u>   | <u>64,629</u>   | <u>159</u>           |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>3,671</u>            | <u>1,990</u>    | <u>( 4,229)</u> | <u>( 6,219)</u>      |
| <b>Other financing sources (uses):</b>                   |                         |                 |                 |                      |
| Transfers in (out)                                       | <u>-</u>                | <u>-</u>        | <u>3,672</u>    | <u>3,672</u>         |
| <b>Total other financing sources (uses)</b>              | <u>-</u>                | <u>-</u>        | <u>3,672</u>    | <u>3,672</u>         |
| <b>Net change in fund balances</b>                       | <u>\$ 3,671</u>         | <u>\$ 1,990</u> | <u>( 557)</u>   | <u>\$( 2,547)</u>    |
| Beginning cash   | <u>\$ 739</u>           | <u>\$ 739</u>   |                 |                      |
| <b>RECONCILIATION TO GAAP BASIS</b>                      |                         |                 |                 |                      |
| Change in receivables                                    |                         |                 | <u>6,166</u>    |                      |
| <b>Net change in fund balances GAAP basis</b>            |                         |                 | <u>\$ 5,609</u> |                      |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
ACTIVITIES FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|--------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>       |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                    |                           |   |
| Investment                         | \$ 5                    | \$ 5               | \$ 5                      | \$ -  |
| Miscellaneous                      | <u>70</u>               | <u>3,570</u>       | <u>1,076</u>              | <u>( 2,494)</u>   |
| <b>Total revenues</b>              | <u>75</u>               | <u>3,575</u>       | <u>1,081</u>              | <u>( 2,494)</u>   |
| <b>Expenditures</b>                |                         |                    |                           |   |
| <b>Current operations:</b>         |                         |                    |                           |   |
| Culture and recreation             | <u>3,000</u>            | <u>6,500</u>       | <u>1,000</u>              | <u>5,500</u>  |
| <b>Total expenditures</b>          | <u>3,000</u>            | <u>6,500</u>       | <u>1,000</u>              | <u>5,500</u>  |
| <b>Net change in fund balances</b> | <u>\$ ( 2,925)</u>      | <u>\$ ( 2,925)</u> | <u>\$ 81</u>              | <u>\$ 3,006</u>   |
| Beginning cash                     | <u>\$ 3,552</u>         | <u>\$ 3,552</u>    |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
BEAUTIFICATION FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                        | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|------------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>           |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                        |                           |   |
| Miscellaneous                      | \$ <u>3,500</u>         | \$ <u>3,500</u>        | \$ <u>-</u>               | \$( <u>3,500</u> )                                      |
| <b>Total revenues</b>              | <u>3,500</u>            | <u>3,500</u>           | <u>-</u>                  | <u>( 3,500)</u>   |
| <b>Expenditures</b>                |                         |                        |                           |   |
| <b>Current operations:</b>         |                         |                        |                           |   |
| Public works                       | <u>3,500</u>            | <u>3,500</u>           | <u>332</u>                | <u>3,168</u>  |
| <b>Total expenditures</b>          | <u>3,500</u>            | <u>3,500</u>           | <u>332</u>                | <u>3,168</u>  |
| <b>Net change in fund balances</b> | \$ <u><u>-</u></u>      | \$ <u><u>-</u></u>     | \$( <u><u>332</u></u> )   | \$( <u><u>332</u></u> )                                 |
| Beginning cash                     | \$ <u><u>1,163</u></u>  | \$ <u><u>1,163</u></u> |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
ENCHANTED EAGLE PARK FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                  |                           |   |
| Miscellaneous                      | \$ <u>7,000</u>         | \$ <u>7,000</u>  | \$ <u>5,980</u>           | \$( <u>1,020</u> )                                      |
| <b>Total revenues</b>              | <u>7,000</u>            | <u>7,000</u>     | <u>5,980</u>              | <u>( 1,020)</u>   |
| <b>Expenditures</b>                |                         |                  |                           |   |
| <b>Current operations:</b>         |                         |                  |                           |   |
| Culture and recreation             | \$ <u>7,000</u>         | \$ <u>7,719</u>  | \$ <u>7,718</u>           | \$ <u>1</u>   |
| <b>Total expenditures</b>          | <u>7,000</u>            | <u>7,719</u>     | <u>7,718</u>              | <u>1</u>  |
| <b>Net change in fund balances</b> | \$ <u>-</u>             | \$( <u>719</u> ) | \$( <u>1,738</u> )        | \$( <u>1,019</u> )                                      |
| Beginning cash                     | \$ <u>2,542</u>         | \$ <u>2,542</u>  |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
AQUAPONICS FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u> |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                   | <u>(Negative)</u>                                       |
| <b>Revenues</b>                               |                         |                    |                   |   |
| Miscellaneous                                 | \$ <u>1,750</u>         | \$ <u>3,025</u>    | \$ <u>3,025</u>   | \$ <u>-</u>   |
| <b>Total revenues</b>                         | <u>1,750</u>            | <u>3,025</u>       | <u>3,025</u>      | <u>-</u>  |
| <b>Expenditures</b>                           |                         |                    |                   |   |
| <b>Current operations:</b>                    |                         |                    |                   |   |
| Culture and recreation                        | <u>7,000</u>            | <u>7,301</u>       | <u>7,301</u>      | <u>-</u>  |
| <b>Total expenditures</b>                     | <u>7,000</u>            | <u>7,301</u>       | <u>7,301</u>      | <u>-</u>  |
| <b>Net change in fund balances</b>            | \$( <u>5,250</u> )      | \$( <u>4,276</u> ) | ( 4,276 )         | \$ <u>-</u>   |
| Beginning cash                                | \$ <u>5,250</u>         | \$ <u>5,250</u>    |                   |   |
| <b>RECONCILIATION TO GAAP BASIS</b>           |                         |                    |                   |   |
| Change in advances                            |                         |                    | <u>5,250</u>      |   |
| <b>Net change in fund balances GAAP basis</b> |                         |                    | \$ <u>974</u>     |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
RECYCLE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|------------------|-------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                   | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                  |                   |   |
| Charges for services               | \$ 3,000                | \$ 3,000         | \$ -              | \$( 3,000)  |
| Investment                         | <u>50</u>               | <u>50</u>        | <u>19</u>         | <u>( 31)</u>  |
| <b>Total revenues</b>              | <u>3,050</u>            | <u>3,050</u>     | <u>19</u>         | <u>( 3,031)</u>   |
| <b>Expenditures</b>                |                         |                  |                   |   |
| <b>Current operations:</b>         |                         |                  |                   |   |
| Health and welfare                 | <u>3,550</u>            | <u>3,550</u>     | <u>24</u>         | <u>3,526</u>  |
| <b>Total expenditures</b>          | <u>3,550</u>            | <u>3,550</u>     | <u>24</u>         | <u>3,526</u>  |
| <b>Net change in fund balances</b> | <u>\$( 500)</u>         | <u>\$( 500)</u>  | <u>\$( 5)</u>     | <u>\$ 495</u>   |
| Beginning cash                     | <u>\$ 14,943</u>        | <u>\$ 14,943</u> |                   |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
MAP 7607 FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|-------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                   | <u>(Negative)</u>                                       |
| <b>Revenues</b>  |                         |                   |                   |   |
| Taxes:   |                         |                   |                   |   |
| Intergovernmental  |                         |                   |                   |   |
| State  | \$ <u>260,000</u>       | \$ <u>260,000</u> | \$ <u>261,397</u> | \$ <u>1,397</u>   |
| <b>Total revenues</b>                                    | <u>260,000</u>          | <u>260,000</u>    | <u>261,397</u>    | <u>1,397</u>  |
| <b>Expenditures</b>                                      |                         |                   |                   |   |
| <b>Capital outlay</b>                                    | <u>260,000</u>          | <u>260,000</u>    | <u>123,449</u>    | <u>136,551</u>  |
| <b>Total expenditures</b>                                | <u>260,000</u>          | <u>260,000</u>    | <u>123,449</u>    | <u>136,551</u>  |
| <b>Excess (deficiency) of revenues over expenditures</b> | <u>-</u>                | <u>-</u>          | <u>137,948</u>    | <u>137,948</u>  |
| <b>Net change in fund balances</b>                       | <u>\$ -</u>             | <u>\$ -</u>       | 137,948           | <u>\$ 137,948</u>                                       |
| Beginning cash   | <u>\$ -</u>             | <u>\$ -</u>       |                   |   |
| <b>RECONCILIATION TO GAAP BASIS</b>                      |                         |                   |                   |   |
| Change in advances                                       |                         |                   | ( 137,948)        |   |
| <b>Net change in fund balances GAAP basis</b>            |                         |                   | <u>\$ -</u>       |   |

The notes to the financial statements are an integral part of this statement.



**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
AMBULANCE REPLACEMENT FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>        |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                     |                           |   |
| Investment                         | \$ <u>15</u>            | \$ <u>15</u>        | \$ <u>-</u>               | \$( <u>15</u> )   |
| <b>Total revenues</b>              | <u>15</u>               | <u>15</u>           | <u>-</u>                  | <u>( 15)</u>  |
| <b>Expenditures</b>                |                         |                     |                           |   |
| Capital outlay                     | <u>23,000</u>           | <u>23,000</u>       | <u>21,475</u>             | <u>1,525</u>  |
| <b>Total expenditures</b>          | <u>23,000</u>           | <u>23,000</u>       | <u>21,475</u>             | <u>1,525</u>  |
| <b>Net change in fund balances</b> | \$( <u>22,985</u> )     | \$( <u>22,985</u> ) | \$( <u>21,475</u> )       | \$ <u>1,510</u>   |
| Beginning cash                     | \$ <u>36,146</u>        | \$ <u>36,146</u>    |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
DEMOLITION FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|--------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>       |                           | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                    |                           |   |
| Intergovernmental<br>State         | \$ <u>-</u>             | \$ <u>32,000</u>   | \$ <u>31,206</u>          | \$( <u>794</u> )  |
| <b>Total revenues</b>              | <u>-</u>                | <u>32,000</u>      | <u>31,206</u>             | <u>( 794)</u>   |
| <b>Expenditures</b>                |                         |                    |                           |   |
| Capital outlay                     | <u>-</u>                | <u>32,000</u>      | <u>31,206</u>             | <u>794</u>  |
| <b>Total expenditures</b>          | <u>-</u>                | <u>32,000</u>      | <u>31,206</u>             | <u>794</u>  |
| <b>Net change in fund balances</b> | \$ <u><u>-</u></u>      | \$ <u><u>-</u></u> | \$ <u><u>-</u></u>        | \$ <u><u>-</u></u>                                      |
| Beginning cash                     | \$ <u><u>-</u></u>      | \$ <u><u>-</u></u> |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
CDBG FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Budgeted Amounts</u> |                         | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------------|-------------------------|--------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>            |                    | <u>(Negative)</u>                                       |
| <b>Revenues</b>                    |                         |                         |                    |   |
| Intergovernmental                  |                         |                         |                    |   |
| Federal                            | \$ <u>484,927</u>       | \$ <u>554,209</u>       | \$ <u>44,750</u>   | \$( <u>509,459</u> )                                    |
| <b>Total revenues</b>              | <u>484,927</u>          | <u>554,209</u>          | <u>44,750</u>      | <u>( 509,459)</u>                                       |
| <b>Expenditures</b>                |                         |                         |                    |   |
| Capital outlay                     | <u>461,798</u>          | <u>531,080</u>          | <u>44,750</u>      | <u>486,330</u>  |
| <b>Total expenditures</b>          | <u>461,798</u>          | <u>531,080</u>          | <u>44,750</u>      | <u>486,330</u>  |
| <b>Net change in fund balances</b> | \$ <u><u>23,129</u></u> | \$ <u><u>23,129</u></u> | \$ <u><u>-</u></u> | \$( <u><u>23,129</u></u> )                              |
| Beginning cash                     | \$ <u><u>100</u></u>    | \$ <u><u>100</u></u>    |                    |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NMED SWD FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|--|-------------------------|------------------|-------------------|-------------------------------|
|  | <u>Original</u>         | <u>Final</u>     |                   | Positive<br>(Negative)        |
| <b>Revenues</b>                        |                         |                  |                   |                               |
| Intergovernmental                      |                         |                  |                   |                               |
| State                                  | \$ <u>35,000</u>        | \$ <u>35,000</u> | \$ <u>29,059</u>  | \$( <u>5,941</u> )            |
| <b>Total revenues</b>                  | <u>35,000</u>           | <u>35,000</u>    | <u>29,059</u>     | ( <u>5,941</u> )              |
| <b>Expenditures</b>                    |                         |                  |                   |                               |
| <b>Current operations:</b>             |                         |                  |                   |                               |
| Public works                           | 5,800                   | 5,800            | 5,775             | 25                            |
| <b>Capital outlay</b>                  | <u>29,200</u>           | <u>29,200</u>    | <u>29,059</u>     | <u>141</u>                    |
| <b>Total expenditures</b>              | <u>35,000</u>           | <u>35,000</u>    | <u>34,834</u>     | <u>166</u>                    |
| <b>Net change in fund balances</b>     | \$ <u>-</u>             | \$ <u>-</u>      | ( 5,775)          | \$( <u>5,775</u> )            |
| Beginning cash                         | \$ <u>-</u>             | \$ <u>-</u>      |                   |                               |
| <b>RECONCILIATION TO GAAP BASIS</b>    |                         |                  |                   |                               |
| Change in receivables                  |                         |                  | <u>5,775</u>      |                               |
| Net change in fund balances GAAP basis |                         |                  | \$ <u>-</u>       |                               |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
DEBT SERVICE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budgeted Amounts</u> |                         | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>            |                           | <u>(Negative)</u>                                       |
| <b>Expenditures</b>  |                         |                         |                           |   |
| <b>Debt Service</b>  |                         |                         |                           |   |
| Principal  | 7,464                   | 7,464                   | 7,464                     | -   |
| Interest   | \$ <u>5,978</u>         | \$ <u>5,978</u>         | \$ <u>5,978</u>           | \$ <u>-</u>   |
| <b>Total expenditures</b>                                    | <u>13,442</u>           | <u>13,442</u>           | <u>13,442</u>             | <u>-</u>  |
| <b>Excess (deficiency) of revenues over<br/>expenditures</b> | ( 13,442)               | ( 13,442)               | ( 13,442)                 | -   |
| <b>Other financing sources (uses):</b>                       |                         |                         |                           |   |
| Transfers in (out)   | <u>13,444</u>           | <u>13,444</u>           | <u>14,223</u>             | <u>779</u>  |
| <b>Net change in fund balances</b>                           | \$ <u><u>2</u></u>      | \$ <u><u>2</u></u>      | \$ <u><u>781</u></u>      | \$ <u><u>779</u></u>                                    |
| Beginning cash   | \$ <u><u>19,723</u></u> | \$ <u><u>19,723</u></u> |                           |   |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
JOINT UTILITY  
STATEMENT OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|-------------------------|------------------|-------------------|--|
|   | <u>Original</u>         | <u>Final</u>     |                   | <u>(Negative)</u>  |
| <b>Operating revenues:</b>                                      |                         |                  |                   |  |
| Charges for services  | \$ 137,841              | \$ 137,841       | \$ 138,118        | \$ 277   |
| Miscellaneous   | <u>420</u>              | <u>420</u>       | <u>413</u>        | <u>( 7)</u>  |
| <b>Total operating revenues</b>                                 | <u>138,261</u>          | <u>138,261</u>   | <u>138,531</u>    | <u>270</u>   |
| <b>Operating expenses:</b>                                      |                         |                  |                   |  |
| Personnel services  | 52,556                  | 52,556           | 38,327            | 14,229   |
| Contract services   | 5,500                   | 5,500            | 5,402             | 98   |
| Other operating expense   | <u>43,000</u>           | <u>43,000</u>    | <u>42,917</u>     | <u>83</u>  |
| <b>Total operating expenses</b>                                 | <u>101,056</u>          | <u>101,056</u>   | <u>86,646</u>     | <u>14,410</u>  |
| <b>Net operating income excluding<br/>non-budgeted expenses</b> | <u>37,205</u>           | <u>37,205</u>    | <u>51,885</u>     | <u>( 14,140)</u>   |
| <b>Non-operating revenues (expenses):</b>                       |                         |                  |                   |  |
| Investment  | 150                     | 150              | 116               | ( 34)  |
| Gross receipts taxes  | <u>6,732</u>            | <u>6,732</u>     | <u>7,395</u>      | <u>663</u>   |
| <b>Total non-operating revenues<br/>(expenses)</b>              | <u>6,882</u>            | <u>6,882</u>     | <u>7,511</u>      | <u>629</u>   |
| <b>Other financing sources (uses):</b>                          |                         |                  |                   |  |
| Transfers in (out)  | <u>( 14,300)</u>        | <u>( 14,300)</u> | <u>( 14,223)</u>  | <u>77</u>  |
| <b>Total transfers in (out)</b>                                 | <u>( 14,300)</u>        | <u>( 14,300)</u> | <u>( 14,223)</u>  | <u>77</u>  |
| <b>Net income (loss) excluding<br/>non-budgeted expenses</b>    | <u>29,787</u>           | <u>29,787</u>    | <u>45,173</u>     | <u>( 13,434)</u>   |
| <b>Less non-budgeted revenues (expenses):</b>                   |                         |                  |                   |  |
| Depreciation  | <u>-</u>                | <u>-</u>         | <u>41,181</u>     | <u>( 41,181)</u>   |
| <b>Total non-budgeted revenues<br/>(expenses)</b>               | <u>-</u>                | <u>-</u>         | <u>41,181</u>     | <u>( 41,181)</u>   |
| <b>Net income (loss)</b>  | <u>\$ 29,787</u>        | <u>\$ 29,787</u> | <u>\$ 3,992</u>   | <u>\$ ( 54,615)</u>                                      |

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SOLID WASTE  
STATEMENT OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Budgeted Amounts</u>  |                          | Actual<br>Amounts      | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|--------------------------|--------------------------|------------------------|--|
|   | <u>Original</u>          | <u>Final</u>             |                        | <u>(Negative)</u>  |
| <b>Operating revenues:</b>                                      |                          |                          |                        |  |
| Charges for services  | \$ 107,720               | \$ 107,720               | \$ 98,931              | \$( 8,789)   |
| <b>Total operating revenues</b>                                 | <u>107,720</u>           | <u>107,720</u>           | <u>98,931</u>          | <u>( 8,789)</u>  |
| <b>Operating expenses:</b>                                      |                          |                          |                        |  |
| Personnel services  | 37,174                   | 37,174                   | 19,404                 | 17,770   |
| Contract services   | 68,000                   | 68,000                   | 67,930                 | 70   |
| Other operating expense   | <u>9,500</u>             | <u>9,500</u>             | <u>9,277</u>           | <u>223</u>   |
| <b>Total operating expenses</b>                                 | <u>114,674</u>           | <u>114,674</u>           | <u>96,611</u>          | <u>18,063</u>  |
| <b>Net operating income excluding<br/>non-budgeted expenses</b> | <u>( 6,954)</u>          | <u>( 6,954)</u>          | <u>2,320</u>           | <u>( 26,852)</u>   |
| <b>Non-operating revenues (expenses):</b>                       |                          |                          |                        |  |
| Investment  | 100                      | 100                      | 21                     | ( 79)  |
| Gross receipts taxes  | <u>3,368</u>             | <u>3,368</u>             | <u>3,698</u>           | <u>330</u>   |
| <b>Total non-operating revenues<br/>(expenses)</b>              | <u>3,468</u>             | <u>3,468</u>             | <u>3,719</u>           | <u>251</u>   |
| <b>Net income (loss) excluding<br/>non-budgeted expenses</b>    | <u>( 3,486)</u>          | <u>( 3,486)</u>          | <u>6,039</u>           | <u>( 26,601)</u>   |
| <b>Net income (loss)</b>  | <u><u>\$( 3,486)</u></u> | <u><u>\$( 3,486)</u></u> | <u><u>\$ 6,039</u></u> | <u><u>\$( 26,601)</u></u>                                |

The notes to the financial statements are an integral part of this statement.

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## **OTHER SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' 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***

Richard Cordova, Mayor  
and the  
Village Council  
Village of Eagle Nest  
Eagle Nest, New Mexico  
and  
Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

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 comparisons of the general fund and major special revenue funds, of the Village of Eagle Nest, New Mexico, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated November 19, 2013.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. Findings 2013-1.

### **Compliance and Other Matters**

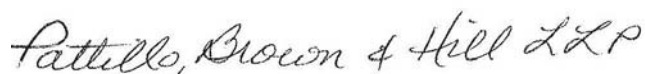
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2013-2, 2013-3 and 2013-4.

### **Village of Eagle Nest, New Mexico's Response to Findings**

The Village of Eagle Nest, New Mexico's response to the findings identified in our audit is 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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pattillo, Brown & Hill, LLP  
Albuquerque, New Mexico  
November 19, 2013

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**Financial Statement Findings**

**Prior Year**

|         |   |
|---------|---|
| 2010-02 | Cross-Training – Resolved                   |
| 2012-1  | Budget Deficit in Excess of Cash – Resolved |
| 2012-2  | EMS Billing –Resolved                       |

**Current Year**

|        |                         |
|--------|-------------------------|
| 2013-1 | Disaster Recovery Plan  |
| 2013-2 | Deposit of Public Money |
| 2013-3 | Gas Cards               |
| 2013-4 | Pledged Collateral      |

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**2013-1**

**Disaster Recovery Plan**  
**(significant deficiency)**

**Condition:**

The Village's disaster recovery plan is not operating according to their approved policies and procedures.

**Criteria:**

Information System controls require that a comprehensive plan and procedures be documented and in place for computer system recovery in the eventuality of emergencies and/or natural disasters. The information system plan is a generally accepted tool to help insure best results in connection with the planning function, budgeting, training and maximizing strategic productivity for computer systems.

**Effect:**

Failure to have a system backup could lead to system usage being impaired or rendered useless for a significant period of time, which could severely impact the Village's ability to conduct daily operations. Additionally, productivity and effectiveness may be increased with sound information system and technology planning.

**Cause:**

The Utility System backup is not being done according to Village procedure. It was noted during discussions with staff that at one point the system had not been backed up for a few weeks.

**Recommendation:**

The Village should have individuals in place to ensure that backups are occurring. Should these individuals be replaced or terminated, there should be an alternate individual in place to ensure backups are occurring.

**Response:**

The Village has implemented a policy of backing up nightly to a USB flash drive and once weekly to an external hard drive. The external hard drive is kept on site in a fire-proof media safe. The USB flash drive is taken off site daily.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**2013-2**

**Deposit of Public Money**  
**(compliance)**

**Condition:**

During the testing of cash deposits, two deposits, totaling \$2,465, of the twenty-four tested, totaling \$111,564, were held in excess of five days prior to being deposited in the Village's bank account.

**Criteria:**

Section 6-10-36.1 NMSA 1978 requires collected receipts of public money to be deposited within a period of time not to exceed five days from the date of collection when a municipality has no suitable banking facility within its boundaries.

**Effect:**

The Village is in violation of 6-10-36.1 NMSA 1978 by holding deposits in excess of five business days. This could result in a loss of public funds.

**Cause:**

Due to employee turnover and limited staffing, the Village did not always make the deposits within five days of receipt.

**Recommendation:**

The Village should ensure timely deposit of public monies collected by improving the transfer of monies to the bank.

**Response:**

Village employees will make sure the deposits are done within five days of receipt. If there any questions arise regarding what the money is for or how to deposit it, they will be addressed at that time. Each employee that handles payments and deposits is aware of the statute regarding the five day deposit rule. Every effort will be made to follow this statute.

**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**2013-3**

**Gas Cards**  
**(compliance)**

**Condition:**

During the review of internal controls for travel and per diem, it was noted that the Village does not have separate gas cards for the public works or administrative vehicles.

**Criteria:**

NMAC 1.5.3.19(B) requires that each vehicle have an assigned gas card which is to be maintained in the vehicle.

**Effect:**

The Village is not tracking gas usage by comparing mileage logs and the fuel purchase exception reports for each vehicle as required by the New Mexico Administrative Code.

**Cause:**

The Village was unaware of the requirement.

**Recommendation:**

The Village should acquire gas cards for each vehicle, to be kept with that vehicle. At least monthly, the Village should review the fuel purchase exception reports and compare them to the vehicle mileage logs.

**Response:**

Every Village vehicle will be equipped with a gas card that will be assigned to that vehicle in order to assist in matching the card use to the billing statements. Each Village vehicle is equipped with a notebook for recording mileage and odometer readings. Gas receipts will be matched to the monthly billings and the mileage logs will be reviewed at that time. The Village was not aware of the requirement for every vehicle to have a gas card.



**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**2013-4**

**Pledged Collateral**  
**(compliance)**

**Condition:**

The Village has four accounts with International Bank in the amount of \$799,631. The bank only provided \$293,214 of collateral which left these accounts under collateralized by \$44,521 at June 30, 2013.

**Criteria:**

Section 6-10-17 NMSA 1978 requires deposits of public monies to be collateralized in an aggregate amount equal to 50% of deposits in excess of FDIC insurance coverage of \$250,000.

**Effect:**

The Village's accounts are not properly collateralized and \$44,521 of their deposits are at risk.

**Cause:**

The Village was not verifying on a regular basis that International Bank was maintaining the proper collateral on the interest bearing accounts.

**Recommendation:**

The Village should discuss the collateral requirements with the bank and execute the agreements that need to be put in place to comply with the state statute. The Village should request collateral verification monthly from the bank.

**Response:**

The Finance Officer will contact International Bank two to three days prior to month end to verify that the bank has properly calculated the amount of required collateral, to maintain at least the minimum 50% collateral coverage.

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**STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013**

**EXIT CONFERENCE**

An exit conference was held on November 19, 2013 at the Village's offices. In attendance were Richard Cordova, Mayor, Lynda Perry, Village Administrator and Cathy Coppy, Village Finance Officer, from the Village of Eagle Nest. Regina Gordon, CPA was in attendance for Pattillo, Brown & Hill, L.L.P.

**PREPARATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report have been prepared by the auditors, Pattillo, Brown, and Hill, L.L.P., Certified Public Accountants; however the financial statements are the responsibility of the management.