

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
AUDIT REPORT
JUNE 30, 2014**

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INTRODUCTORY SECTION

OFFICIAL ROSTER

Village Council

Name

Title

Richard Cordova

Mayor

Bill Lowery

Mayor Pro-Tem/Councilor

Laura Bowers

Councilor

Jamie McCaslin

Councilor

Aaron Becton

Councilor

Administrative Officials

Lynda Perry

Village Administrator

Cathy Coppy, CMC

Village Finance Officer

Faye Longo

Deputy Clerk

FINANCIAL STATEMENTS SECTION

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 comparison for the general fund of the Village of Eagle Nest, New Mexico (Village), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental, and the budgetary comparisons for the capital project funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the capital project funds, 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.

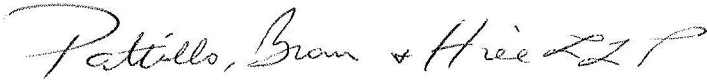
Other Information

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 21, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Pattillo, Brown and Hill, LLP
Albuquerque, New Mexico
November 21, 2014

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
STATEMENT OF NET POSITION
JUNE 30, 2014**

Assets	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 249,698	\$ 140,227	\$ 389,925
Investments	85,879	87,598	173,477
Receivables (net of allowance for uncollectibles)	<u>395,359</u>	<u>34,725</u>	<u>430,084</u>
Total current assets	<u>730,936</u>	<u>262,550</u>	<u>993,486</u>
Noncurrent assets:			
Restricted cash	67,577	11,944	79,521
Land	363,906	179,500	543,406
Construction in progress	656,503	-	656,503
Capital assets being depreciated, net	<u>3,937,119</u>	<u>654,408</u>	<u>4,591,527</u>
Total noncurrent assets	<u>5,025,105</u>	<u>845,852</u>	<u>5,870,957</u>
Total assets	<u>5,756,041</u>	<u>1,108,402</u>	<u>6,864,443</u>

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

Liabilities	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current liabilities:			
Accounts payable	292,595	2,632	295,227
Accrued payroll expenses	11,382	-	11,382
Encroachment and meter deposits	2,848	11,944	14,792
Current portion of compensated absences	-	3,040	3,040
Current portion of long term debt	<u>30,742</u>	<u>-</u>	<u>30,742</u>
Total current liabilities	<u>337,567</u>	<u>17,616</u>	<u>355,183</u>
Noncurrent liabilities:			
Compensated absences	21,344	-	21,344
Loans payable	<u>302,874</u>	<u>-</u>	<u>302,874</u>
Total noncurrent liabilities	<u>324,218</u>	<u>-</u>	<u>324,218</u>
Total liabilities	<u>661,785</u>	<u>17,616</u>	<u>679,401</u>
Net Position			
Net investment in capital assets	4,623,912	833,908	5,457,820
Restricted for:			
Capital projects	(42,129)	-	(42,129)
Debt service	64,729	-	64,729
Unrestricted	<u>447,744</u>	<u>256,878</u>	<u>704,622</u>
Total net position	<u>\$ 5,094,256</u>	<u>\$ 1,090,786</u>	<u>\$ 6,185,042</u>

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
General government	\$ 274,220	\$ 2,860	\$ 94,500	\$ -
Culture and recreation	59,364	79	9,899	12,304
Public safety	208,233	8,152	95,572	-
Public works	179,582	1,240	-	1,185,655
Health and welfare	99,710	20,458	76,088	-
Interest on long-term debt	9,703	-	-	-
Total governmental activities	<u>830,812</u>	<u>32,789</u>	<u>276,059</u>	<u>1,197,959</u>
Business-type activities:				
Joint Utility	169,283	151,007	-	-
Solid Waste	106,118	93,830	-	-
Total business-type activities	<u>275,401</u>	<u>244,837</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,106,213</u>	<u>\$ 277,626</u>	<u>\$ 276,059</u>	<u>\$ 1,197,959</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 Activities	Business-type Activities	Total
\$(176,860)	\$ -	\$(176,860)
(37,082)	-	(37,082)
(104,509)	-	(104,509)
1,007,313	-	1,007,313
(3,164)	-	(3,164)
(9,703)	-	(9,703)
675,995	-	675,995
-	(18,276)	(18,276)
-	(12,288)	(12,288)
-	(30,564)	(30,564)
675,995	(30,564)	645,431
30,070	-	30,070
196,663	12,938	209,601
26,341	-	26,341
30,782	-	30,782
16,103	-	16,103
613	92	705
15,200	517	15,717
22,633	(22,633)	-
338,405	(9,086)	329,319
1,014,400	(39,650)	974,750
4,079,856	1,130,436	5,210,292
\$ 5,094,256	\$ 1,090,786	\$ 6,185,042

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	<u>General Fund</u>	<u>NMED SWD</u>	<u>Marina Way</u>
Assets			
Cash	\$ 55,827	\$ -	\$ -
Investments	7,018	-	-
Accounts receivable (net of allowance for uncollectible)	27,018	-	328,714
Due from other funds	68,932	-	-
Restricted cash	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 158,795</u>	<u>\$ -</u>	<u>\$ 328,714</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 286,029
Accrued payroll expenses	11,382	-	-
Due to other funds	5,836	-	50,322
Advances	-	-	-
Encroachment deposits	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>17,218</u>	<u>-</u>	<u>336,351</u>
Deferred Inflows of Resources			
Unavailable property taxes	4,319	-	-
Unavailable grant revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>4,319</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted for:			
Special revenue	-	-	-
Capital projects	-	-	-
Debt Service	-	-	-
Unassigned	<u>137,258</u>	<u>-</u>	<u>(7,637)</u>
Total fund balances	<u>137,258</u>	<u>-</u>	<u>(7,637)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 158,795</u>	<u>\$ -</u>	<u>\$ 328,714</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 193,871	\$ 249,698
78,861	85,879
39,627	395,359
5,112	74,044
<u>67,577</u>	<u>67,577</u>
<u>\$ 385,048</u>	<u>\$ 872,557</u>
\$ 6,566	\$ 292,595
-	11,382
17,886	74,044
-	-
<u>2,848</u>	<u>2,848</u>
<u>27,300</u>	<u>380,869</u>
-	4,319
<u>12,304</u>	<u>12,304</u>
<u>12,304</u>	<u>16,623</u>
264,885	264,885
28,134	28,134
64,729	64,729
(<u>12,304</u>)	<u>117,317</u>
<u>345,444</u>	<u>475,065</u>
<u>\$ 385,048</u>	<u>\$ 872,557</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, 2014**

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

Fund balances - total government funds		\$ 475,065
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Governmental capital assets	\$ 9,634,340	
Less accumulated depreciation	<u>(4,676,812)</u>	4,957,528
A portion of property taxes and grant revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds		16,623
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	\$(333,616)	
Compensated absences	<u>(21,344)</u>	<u>(354,960)</u>
Change in net position of governmental activities		<u>\$ 5,094,256</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, 2014**

	<u>General</u>	<u>NMED SWD</u>	<u>Marina Way</u>
Revenues			
Taxes:			
Gross receipts	\$ 162,164	\$ -	\$ -
Property	32,156	-	-
Other state shared	1,707	-	-
Lodgers'	-	-	-
Franchise	16,103	-	-
Licenses and permits	4,139	-	-
Intergovernmental			
Federal	-	-	-
State	94,500	408,122	487,504
Fines and forfeitures	5,761	-	-
Charges for services	-	-	-
Other	5,911	-	-
Investment	427	-	-
	<u>322,868</u>	<u>408,122</u>	<u>487,504</u>
Total revenues			
	<u>322,868</u>	<u>408,122</u>	<u>487,504</u>
Expenditures			
Current operations:			
General government	249,861	-	-
Culture and recreation	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	<u>-</u>	<u>466,622</u>	<u>491,789</u>
	<u>249,861</u>	<u>466,622</u>	<u>491,789</u>
Total expenditures			
	<u>249,861</u>	<u>466,622</u>	<u>491,789</u>
Excess (deficiency) of revenues over expenditures	73,007	(58,500)	(4,285)
Other financing sources (uses):			
Debt proceeds	-	58,500	-
Transfers in (out)	(8,459)	-	(3,352)
Total other financing sources (uses):	<u>(8,459)</u>	<u>58,500</u>	<u>(3,352)</u>
Net change in fund balances	64,548	-	(7,637)
Fund balances, beginning of year	<u>72,710</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 137,258</u>	<u>\$ -</u>	<u>\$(7,637)</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 34,499	\$ 196,663
-	32,156
24,634	26,341
30,782	30,782
-	16,103
-	4,139
103,074	103,074
368,514	1,358,640
279	6,040
22,610	22,610
9,289	15,200
186	613
<u>593,867</u>	<u>1,812,361</u>
-	249,861
59,364	59,364
112,917	112,917
46,588	46,588
94,650	94,650
28,391	28,391
9,703	9,703
<u>349,884</u>	<u>1,308,295</u>
<u>701,497</u>	<u>1,909,769</u>
(107,630)	(97,408)
-	58,500
<u>34,444</u>	<u>22,633</u>
<u>34,444</u>	<u>81,133</u>
(73,186)	(16,275)
<u>418,630</u>	<u>491,340</u>
<u>\$ 345,444</u>	<u>\$ 475,065</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, 2014**

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

Net change in fund balances - total governmental funds	\$(16,275)
<p>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.</p>	
Capital outlay	1,308,295
Depreciation expense	(257,443)
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.</p>	
	28,391
<p>The issuance of long-term debt provides current financial resources to governmental funds.</p>	
	(58,500)
<p>Recognition of accounts receivable and deferred inflows of resources 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.</p>	
	10,218
<p>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.</p>	
Compensated absences	(286)
Change in net position of governmental activities	<u>\$ 1,014,400</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Gross receipts	\$ 126,591	\$ 126,591	\$ 153,881	\$ 27,290
Property	33,018	33,018	32,093	\$(925)
Other state shared	1,700	1,700	1,707	7
Franchise tax	17,450	17,450	16,103	(1,347)
Licenses and permits	5,480	5,480	4,139	(1,341)
Intergovernmental				
State	98,075	98,075	93,710	(4,365)
Fines and forfeitures	2,410	2,410	5,761	3,351
Investment	850	850	427	(423)
Other	<u>14,315</u>	<u>14,315</u>	<u>5,911</u>	<u>(8,404)</u>
Total revenues	<u>299,889</u>	<u>299,889</u>	<u>313,732</u>	<u>13,843</u>
Expenditures				
Current operations:				
General government	<u>254,923</u>	<u>254,923</u>	<u>243,060</u>	<u>11,863</u>
Total expenditures	<u>254,923</u>	<u>254,923</u>	<u>243,060</u>	<u>11,863</u>
Excess (deficiency) of revenues over expenditures	44,966	44,966	70,672	25,706
Other financing sources (uses):				
Transfers in (out)	<u>(8,500)</u>	<u>(8,500)</u>	<u>(8,459)</u>	<u>41</u>
Net change in fund balances	<u>\$ 36,466</u>	<u>\$ 36,466</u>	62,213	<u>\$ 25,747</u>
Beginning cash	<u>\$ 60,370</u>	<u>\$ 60,370</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			7,050	
Change in accrued payroll expenses			(6,801)	
Change in deferred revenue			<u>2,086</u>	
Net change in fund balances GAAP basis			<u>\$ 64,548</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 FUNDS
JUNE 30, 2014**

	Joint Utility	Solid Waste	Total
ASSETS			
Current assets:			
Cash	\$ 88,840	\$ 51,387	\$ 140,227
Investments	74,130	13,468	87,598
Accounts receivable (net of allowance for uncollectible)	16,601	18,124	34,725
Total current assets	179,571	82,979	262,550
Noncurrent assets:			
Restricted assets:			
Cash and investments:			
Meter deposits	11,944	-	11,944
Total restricted assets	11,944	-	11,944
Capital assets:			
Non-depreciable assets			
Land	179,500	-	179,500
Capital assets being depreciated, net	654,408	-	654,408
Total capital assets	833,908	-	833,908
Total noncurrent assets	845,852	-	845,852
Total assets	1,025,423	82,979	1,108,402
LIABILITIES			
Current liabilities:			
Accounts payable	2,632	-	2,632
Meter deposits	11,944	-	11,944
Compensated absences	3,040	-	3,040
Total current liabilities	17,616	-	17,616
Total liabilities	17,616	-	17,616
Net Position			
Net investment in capital assets	833,908	-	833,908
Unrestricted	173,899	82,979	256,878
Total net position	\$ 1,007,807	\$ 82,979	\$ 1,090,786

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 FUNDS
FOR THE YEAR ENDING JUNE 30, 2014**

	Joint Utility	Solid Waste	Total
	<u> </u>	<u> </u>	<u> </u>
Operating revenues:			
Charges for services	\$ 151,007	\$ 93,830	\$ 244,837
Miscellaneous	<u>450</u>	<u>67</u>	<u>517</u>
Total operating revenues	<u>151,457</u>	<u>93,897</u>	<u>245,354</u>
Operating expenses:			
Personnel services	37,781	32,405	70,186
Depreciation	41,179	-	41,179
Contract services	7,721	65,119	72,840
Other operating expense	<u>82,602</u>	<u>8,594</u>	<u>91,196</u>
Total operating expenses	<u>169,283</u>	<u>106,118</u>	<u>275,401</u>
Operating income (loss)	<u>(17,826)</u>	<u>(12,221)</u>	<u>(30,047)</u>
Non-operating revenues (expenses):			
Investment	78	14	92
Gross receipts taxes	<u>8,625</u>	<u>4,313</u>	<u>12,938</u>
Total non-operating revenues (expenses)	<u>8,703</u>	<u>4,327</u>	<u>13,030</u>
Income (loss) before transfers	<u>(9,123)</u>	<u>(7,894)</u>	<u>(17,017)</u>
Other financing sources (uses):			
Transfers in (out)	<u>(22,633)</u>	<u>-</u>	<u>(22,633)</u>
Total other financing sources (uses)	<u>(22,633)</u>	<u>-</u>	<u>(22,633)</u>
Change in net position	<u>(31,756)</u>	<u>(7,894)</u>	<u>(39,650)</u>
Total net position - beginning	<u>1,039,563</u>	<u>90,873</u>	<u>1,130,436</u>
Total net position - ending	<u>\$ 1,007,807</u>	<u>\$ 82,979</u>	<u>1,090,786</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 FUNDS
FOR THE YEAR ENDING JUNE 30, 2014**

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from customers and users	\$ 160,316	\$ 100,043	\$ 260,359
Payments to employees for services	(37,806)	(32,405)	(70,211)
Payments to suppliers for goods and services	<u>(91,789)</u>	<u>(77,770)</u>	<u>(169,559)</u>
Net cash provided (used) by operating activities	<u>30,721</u>	<u>(10,132)</u>	<u>20,589</u>
Cash flows from noncapital financing activities			
Taxes collected	8,625	4,313	12,938
Transfers to other funds	<u>(22,633)</u>	<u>-</u>	<u>(22,633)</u>
Net cash provided (used) by capital and related activities	<u>(14,008)</u>	<u>4,313</u>	<u>(9,695)</u>
Cash flows from investing activities			
Transfer (to) from restricted cash	(1,460)	-	(1,460)
Interest on investments	<u>78</u>	<u>14</u>	<u>92</u>
Net cash provided by investing activities	<u>(1,382)</u>	<u>14</u>	<u>(1,368)</u>
Net increase in cash and cash equivalents	15,331	(5,805)	9,526
Cash and equivalents beginning of year	<u>147,639</u>	<u>70,660</u>	<u>218,299</u>
Cash and equivalents end of year	<u>\$ 162,970</u>	<u>\$ 64,855</u>	<u>\$ 227,825</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(17,826)	\$(12,221)	\$(30,047)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	41,179	-	41,179
Change in assets and liabilities:			
Receivables, net	4,467	6,146	10,613
Customer deposits	1,460	-	1,460
Accounts payables	1,466	(4,057)	(2,591)
Compensated absences	<u>(25)</u>	<u>-</u>	<u>(25)</u>
Net cash provided by operating activities	<u>\$ 30,721</u>	<u>\$(10,132)</u>	<u>\$ 20,589</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, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Eagle Nest (Village) was incorporated in 1976 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.

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.

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 **Capital Project - 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.

The **Capital Project - Marina Way** accounts for the grant funds from the New Mexico Department of Game and Fish used for the paving of Marina Way in order to provide improved access to boating and fishing recreational opportunities. Authorized by 17-1-1 NMSA 1978,

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.

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.

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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable property taxes and unavailable grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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.

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.

Recently Issued and Adopted Accounting Pronouncements

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. GASB 65 has been adopted for the year ending June 30, 2014.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, becomes effective in the fiscal year ending June 30, 2015. The new standard will substantially change accounting and financial reporting for the Village’s participation in the Public Employees Retirement System (PERA), a cost sharing multiple-employer defined benefit retirement plan. The new standard will require the Village’s financial statements that use the economic resources

measurement focus and accrual accounting to recognize a liability for the Village's proportionate share of PERA's net pension liability, to recognize pension expense, and to report deferred outflows of resources and deferred inflows of resources related to pensions, for their proportionate shares of PERA's collective pension expense and collective deferred outflows of resources and deferred inflows of resources.

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 Per Bank <u>June 30</u>	Add Deposits <u>In Transit</u>	Less Outstanding <u>Checks</u>	Balance Per Books <u>June 30</u>
International Bank				
Checking Accounts				
Operating	\$ 476,546	\$ 240	\$ 71,674	\$ 405,112
Emergency Response	794	-	-	794
CDBG	100	-	-	100
Fire	64,618	-	5,036	59,582
First National Bank				
Checking Accounts				
Enchanted Eagle Park	2,866	-	-	2,866
Beautification	992	-	-	992
State of New Mexico				
Investment Accounts				
LGIP Fund	173,382	-	-	173,382
Reserve Contingencies Fund	<u>95</u>	<u>-</u>	<u>-</u>	<u>95</u>
Total Cash in Banks	<u>\$ 719,393</u>	<u>\$ 240</u>	<u>\$ 76,710</u>	<u>\$ 642,923</u>

As Reported in the Financial Statements:

Equity in Cash

Cash	\$ 389,925
Restricted Cash	79,521
Investments	<u>173,477</u>
	<u>\$ 642,923</u>

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 Bank	First National Bank	Total
Amount on Deposit in Bank	\$ 542,058	\$ 3,858	\$ 545,916
FDIC Coverage	(250,000)	(6,577)	\$(256,577)
Total uninsured public funds	292,058	(2,719)	289,339

Collateral pledged:

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

International Bank

FHLB NON CBL, 9/12/14

CUSIP #313370IS8	(125,337)	-	(125,337)
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FNMA CBI, 8/25/15

CUSIP #3136FPBB2	(102,344)	-	(102,344)
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FNMA, 12/20/18

CUSIP #3136G12K4	(48,547)	-	(48,547)
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Uninsured and uncollateralized	<u>\$ 15,830</u>	<u>\$(2,719)</u>	<u>\$ 13,111</u>
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Collateral requirement

(50% of uninsured funds)	\$ 146,029	\$(1,360)	\$ 144,670
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Pledged collateral	<u>276,228</u>	<u>-</u>	<u>276,228</u>
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Over (under) collateralized	<u>\$ 130,199</u>	<u>\$ 1,360</u>	<u>\$ 131,559</u>
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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, 2014, \$289,339 of the Village's bank balance of \$545,916 was exposed to custodial credit risk.

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, 2014 the Village had \$173,382 invested in the LGIP which is AAA 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>Marina Way</u>	<u>Non- Major</u>	<u>Joint Utility</u>	<u>Solid Waste</u>	
Receivables:						
Customer	\$ -	\$ -	\$ 9,966	\$ 21,019	\$ 23,527	\$ 54,512
Taxes						
Gross receipts	13,899	-	2,956	739	370	17,964
Property	8,754	-	-	-	-	8,754
Lodgers'	-	-	3,301	-	-	3,301
Other governments	<u>4,365</u>	<u>328,714</u>	<u>29,008</u>	<u>-</u>	<u>-</u>	<u>362,087</u>
Gross receivables	27,018	328,714	45,231	21,758	23,897	446,618
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>5,604</u>	<u>5,157</u>	<u>5,773</u>	<u>16,534</u>
Net total receivables	<u>\$ 27,018</u>	<u>\$ 328,714</u>	<u>\$ 39,627</u>	<u>\$ 16,601</u>	<u>\$ 18,124</u>	<u>\$ 430,084</u>

Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 363,906	\$ -	\$ -	\$ 363,906
Construction in Progress	<u>44,750</u>	<u>611,753</u>	<u>-</u>	<u>656,503</u>
Total capital assets not being depreciated	<u>408,656</u>	<u>611,753</u>	<u>-</u>	<u>1,020,409</u>
Capital assets, being depreciated:				
Infrastructure	4,978,113	642,041	-	5,620,154
Building and improvements	1,628,632	-	-	1,628,632
Equipment and vehicles	<u>1,354,680</u>	<u>54,501</u>	<u>(44,036)</u>	<u>1,365,145</u>
Total capital assets being depreciated	<u>7,961,425</u>	<u>696,542</u>	<u>(44,036)</u>	<u>8,613,931</u>
Less accumulated depreciation:				
Infrastructure	(2,504,608)	(129,558)	-	(2,634,166)
Building and improvements	(986,868)	(45,035)	-	(1,031,903)
Equipment and vehicles	<u>(971,929)</u>	<u>(82,850)</u>	<u>44,036</u>	<u>(1,010,743)</u>
Total accumulated depreciation	<u>(4,463,405)</u>	<u>(257,443)</u>	<u>44,036</u>	<u>(4,676,812)</u>
Total capital assets being depreciated, net	<u>3,498,020</u>	<u>439,099</u>	<u>-</u>	<u>3,937,119</u>
Governmental activities capital assets, net	<u>\$ 3,906,676</u>	<u>\$ 1,050,852</u>	<u>\$ -</u>	<u>\$ 4,957,528</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 179,500	\$ -	\$ -	\$ 179,500
Total capital assets not being depreciated	<u>179,500</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>20,652</u>
Total capital assets being depreciated	<u>1,623,724</u>	<u>-</u>	<u>-</u>	<u>1,623,724</u>
Less accumulated depreciation:				
Building and improvements	(907,985)	(40,929)	-	(948,914)
Equipment and vehicles	<u>(20,152)</u>	<u>(250)</u>	<u>-</u>	<u>(20,402)</u>
Total accumulated depreciation	<u>(928,137)</u>	<u>(41,179)</u>	<u>-</u>	<u>(969,316)</u>
Total capital assets being depreciated, net	<u>695,587</u>	<u>(41,179)</u>	<u>-</u>	<u>654,408</u>
Business-type activities capital assets, net	<u>\$ 875,087</u>	<u>\$(41,179)</u>	<u>\$ -</u>	<u>\$ 833,908</u>

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

Governmental Activities:	
General government	\$ 24,073
Public safety	95,316
Health & Welfare	5,060
Public Works	<u>132,994</u>
Total depreciation expense - Governmental Activities:	<u>\$ 257,443</u>
Business-type Activities:	
Joint Utility	<u>\$ 41,179</u>
Total depreciation expense - Business-type Activities:	<u>\$ 41,179</u>

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, 2014 were as follows:

Fund Description	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 68,932	\$ 5,836
Marina Way	-	50,322
Non-Major	<u>5,112</u>	<u>17,886</u>
	<u>\$ 74,044</u>	<u>\$ 74,044</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>Marina Way</u>	<u>Non- Major</u>	<u>Joint Utility</u>	
Transfers In:					
Non-Major	\$ <u>8,459</u>	\$ <u>3,352</u>	\$ <u>3,277</u>	\$ <u>22,633</u>	\$ <u>37,721</u>
Total transfers out	8,459	3,352	3,277	22,633	37,721
Less transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net transfers	<u>\$ 8,459</u>	<u>\$ 3,352</u>	<u>\$ 3,277</u>	<u>\$ 22,633</u>	<u>\$ 37,721</u>

Short Term Debt

The Village does not have any short-term debt.

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 1st of every year and interest payments are due November 1st and May 1st 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.

The Village entered into a loan/grant agreement with the New Mexico Water Trust Board (WTB) and the New Mexico Finance Authority, from the Water Project Fund. The amount of the loan subsidy was \$58,500. The proceeds of the note and grant were used for the purpose of storage, conveyance and/or delivery of water to end users. The loan bears a .25% interest rate, including an administrative fee. Principal and interest payments are due June 1st of every year. The note matures in 2034. 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	
2015	\$ 30,742	\$ 8,025	\$ 38,767
2016	31,756	6,953	38,709
2017	32,790	5,858	38,648
2018	39,439	5,636	45,075
2019	11,773	4,012	15,785
2020 - 2024	63,135	16,389	79,524
2025 - 2029	71,054	9,592	80,646
2030 - 2034	<u>52,927</u>	<u>2,082</u>	<u>55,009</u>
	<u>\$ 333,616</u>	<u>\$ 58,547</u>	<u>\$ 392,163</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, 2014.

Next Payment Due	Annual Loan Repayment Required	Debt Service Reserve	Replacement Reserve Account
June 3, 2015	\$ 12,637	\$ 12,637	\$ 10,000

At June 30, 2014 the Village had restricted cash in the following debt service funds:

<u>Fund</u>	<u>Restricted Cash</u>
Debt Service Reserve Fund	\$ 13,444
Replacement Reserve Fund	30,000
Debt Service Fund	<u>21,285</u>
 Cash restricted for debt service	 <u>\$ 64,729</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Loans	\$ 303,507	\$ 58,500	\$ 28,391	\$ 333,616	\$ 30,742
Compensated absences	<u>21,058</u>	<u>12,305</u>	<u>12,019</u>	<u>21,344</u>	<u>-</u>
Governmental activities- long-term liabilities	<u>\$ 324,565</u>	<u>\$ 70,805</u>	<u>\$ 40,410</u>	<u>\$ 354,960</u>	<u>\$ 30,742</u>
 Business type activities					
Compensated absences	\$ 3,065	\$ 2,104	\$ 2,129	\$ 3,040	\$ -
Business type activities- long-term liabilities	<u>\$ 3,065</u>	<u>\$ 2,104</u>	<u>\$ 2,129</u>	<u>\$ 3,040</u>	<u>\$ -</u>

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

Restricted Net Position/Reserved Fund Balances

The cash balances for the meter and encroachment deposit accounts are restricted in the amount of \$11,944 and \$2,848, respectively. The cash balances associated for debt service payments have been restricted in the amount of \$64,729. Therefore, total cash balances of \$79,521 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 8.5% of their gross salary. The Village is required to contribute 7% 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, 2014, 2013 and 2012 were \$13,748, \$11,910, and \$12,341, 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.

Joint Powers and Cooperative Agreements

Law Enforcement Services

The Village entered into an agreement with Colfax County, dated July 1, 2013, 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, 2014 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.

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>
Water System Improvements	<u>65,000</u>	<u>65,000</u>	<u>-</u>	10/13 to 6/14
Total	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ -</u>	

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

Deficit Fund Balance

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

Capital Project Funds

Marina Way	\$ 7,637
Demolition	12,304

The deficit in the Demolition fund is related to unavailable grant revenues. The deficit in the Marina Way fund will be eliminated by monitoring budgets and spending in the future.

SUPPLEMENTARY INFORMATION

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.

Fire Protection Fund – to account 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.

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.

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

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.

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.

MAP 7607 – to account 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.

13-1440-STB – to account for the grant funds used to plan, design, construct and equip water system improvements, including a water tank and installation of water lines. Authorized by Laws of 2013, Chapter 226, Section 23, Paragraph 8.

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, 2014**

	<u>Special Revenue</u>		
	<u>Local Corrections</u>	<u>EMS</u>	<u>Fire Protection</u>
Assets			
Cash	\$ 5,012	\$ 17,796	\$ 59,583
Investments	4,470	8,488	5,861
Accounts receivable	-	4,362	-
Due from other funds	-	-	-
Restricted cash	-	-	-
Total assets	<u>\$ 9,482</u>	<u>\$ 30,646</u>	<u>\$ 65,444</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,799
Due to other funds	-	-	-
Encroachment deposits	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,799</u>
Deferred Inflows of Resources:			
Unavailable grant revenue	-	-	-
Total deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted for:			
Special revenue	9,482	30,646	63,645
Capital projects	-	-	-
Debt service	-	-	-
Unassigned	-	-	-
Total fund balances	<u>9,482</u>	<u>30,646</u>	<u>63,645</u>
Total liabilities and fund balances	<u>\$ 9,482</u>	<u>\$ 30,646</u>	<u>\$ 65,444</u>

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

Special Revenue

<u>Law Enforcement</u>	<u>Library</u>	<u>Lodgers' Tax</u>	<u>Municipal Street</u>	<u>Recreation</u>	<u>Senior Citizen's</u>
\$ 4,207	\$ 7,278	\$ 17,548	\$ 41,299	\$ 903	\$ -
3,300	333	2,025	37,452	462	-
-	-	3,301	2,956	-	11,937
-	-	-	1,440	-	3,672
-	-	-	2,848	-	-
<u>\$ 7,507</u>	<u>\$ 7,611</u>	<u>\$ 22,874</u>	<u>\$ 85,995</u>	<u>\$ 1,365</u>	<u>\$ 15,609</u>
\$ -	\$ -	-	\$ -	\$ -	\$ -
-	-	-	-	-	5,582
-	-	-	2,848	-	-
-	-	-	2,848	-	5,582
-	-	-	-	-	-
-	-	-	-	-	-
7,507	7,611	22,874	83,147	1,365	10,027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,507</u>	<u>7,611</u>	<u>22,874</u>	<u>83,147</u>	<u>1,365</u>	<u>10,027</u>
<u>\$ 7,507</u>	<u>\$ 7,611</u>	<u>\$ 22,874</u>	<u>\$ 85,995</u>	<u>\$ 1,365</u>	<u>\$ 15,609</u>

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue</u>		
	<u>Water Rights</u>	<u>Activities</u>	<u>Beautification</u>
Assets			
Cash	\$ 2,916	\$ 794	\$ 1,092
Investments	571	3,411	-
Accounts receivable	-	-	-
Due from other funds	-	-	-
Restricted cash	-	-	-
Total assets	<u>\$ 3,487</u>	<u>\$ 4,205</u>	<u>\$ 1,092</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Encroachment deposits	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable grant revenue	-	-	-
Total deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted for:			
Special revenue	3,487	4,205	1,092
Capital projects	-	-	-
Debt service	-	-	-
Unassigned	-	-	-
Total fund balances	<u>3,487</u>	<u>4,205</u>	<u>1,092</u>
Total liabilities and fund balances	<u>\$ 3,487</u>	<u>\$ 4,205</u>	<u>\$ 1,092</u>

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

Special Revenue				Capital Project
Enchanted Eagle Park	Aquaponics	Recycle	Total Special Revenue Funds	Ambulance Replacement
\$ 2,866	\$ 1,472	\$ 3,119	\$ 165,885	\$ 24,524
-	-	12,340	78,713	146
-	-	-	22,556	-
-	-	-	5,112	-
-	-	-	2,848	-
<u>\$ 2,866</u>	<u>\$ 1,472</u>	<u>\$ 15,459</u>	<u>\$ 275,114</u>	<u>\$ 24,670</u>
\$ -	\$ -	\$ -	\$ 1,799	\$ -
-	-	-	5,582	-
-	-	-	2,848	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,229</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,866	1,472	15,459	\$ 264,885	-
-	-	-	-	24,670
-	-	-	-	-
-	-	-	-	-
<u>2,866</u>	<u>1,472</u>	<u>15,459</u>	<u>264,885</u>	<u>24,670</u>
<u>\$ 2,866</u>	<u>\$ 1,472</u>	<u>\$ 15,459</u>	<u>\$ 275,114</u>	<u>\$ 24,670</u>

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Capital Project		
	PW Vehicle Replacement	2008 State Coop	Demolition
Assets			
Cash	\$ 10	\$ -	\$ -
Investments	2	-	-
Accounts receivable	-	-	12,304
Due from other funds	-	-	-
Restricted cash	-	-	-
	-	-	-
Total assets	\$ 12	\$ -	\$ 12,304
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	12,304
Encroachment deposits	-	-	-
	-	-	-
Total liabilities	-	-	12,304
Deferred Inflows of Resources:			
Unavailable grant revenue	-	-	12,304
	-	-	12,304
Total deferred Inflows of Resources:	-	-	12,304
Fund balances:			
Restricted for:			
Special revenue	-	-	-
Capital projects	12	-	-
Debt service	-	-	-
Unassigned	-	-	(12,304)
	-	-	(12,304)
Total fund balances	12	-	(12,304)
Total liabilities and fund balances	\$ 12	\$ -	\$ 12,304

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

<u>Capital Project</u>			<u>Total Capital Project Funds</u>	<u>Debt Service</u>	
<u>CDBG</u>	<u>MAP 7607</u>	<u>13-1440 STB</u>		<u>Debt Service Reserve</u>	<u>Replacement Reserve</u>
\$ 100	\$ -	\$ 3,352	\$ 27,986	\$ -	\$ -
-	-	-	148	-	-
4,767	-	-	17,071	-	-
-	-	-	-	-	-
-	-	-	-	13,444	30,000
<u>\$ 4,867</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 45,205</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>
\$ 4,767	\$ -	\$ -	\$ 4,767	\$ -	\$ -
-	-	-	12,304	-	-
-	-	-	-	-	-
<u>4,767</u>	<u>-</u>	<u>-</u>	<u>17,071</u>	<u>-</u>	<u>-</u>
-	-	-	12,304	-	-
-	-	-	12,304	-	-
-	-	-	-	-	-
100	-	3,352	28,134	-	-
-	-	-	-	13,444	30,000
-	-	-	(12,304)	-	-
<u>100</u>	<u>-</u>	<u>3,352</u>	<u>15,830</u>	<u>13,444</u>	<u>30,000</u>
<u>\$ 4,867</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 45,205</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>

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**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Debt Service	Total Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Cash	\$ -	\$ -	\$ 193,871
Investments	-	-	78,861
Accounts receivable	-	-	39,627
Due from other funds	-	-	5,112
Restricted cash	<u>21,285</u>	<u>64,729</u>	<u>67,577</u>
Total assets	<u>\$ 21,285</u>	<u>\$ 64,729</u>	<u>\$ 385,048</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 6,566
Due to other funds	-	-	17,886
Encroachment deposits	<u>-</u>	<u>-</u>	<u>2,848</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>27,300</u>
Deferred Inflows of Resources:			
Unavailable grant revenue	<u>-</u>	<u>-</u>	<u>12,304</u>
Total deferred Inflows of Resources:	<u>-</u>	<u>-</u>	<u>12,304</u>
Fund balances:			
Restricted for:			
Special revenue	-	-	264,885
Capital projects	-	-	28,134
Debt service	21,285	64,729	64,729
Unassigned	<u>-</u>	<u>-</u>	<u>(12,304)</u>
Total fund balances	<u>21,285</u>	<u>64,729</u>	<u>345,444</u>
Total liabilities and fund balances	<u>\$ 21,285</u>	<u>\$ 64,729</u>	<u>\$ 385,048</u>

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

**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, 2014**

	Special Revenue		
	Local Corrections	EMS	Fire Protection
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Other state shared	-	7,852	7,400
Lodgers'	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	7,200	70,858
Fines and forfeitures	200	-	-
Charges for services	-	2,191	-
Other	-	-	32
Investment	5	9	110
Total revenues	205	17,252	78,400
Expenditures			
Current operations:			
Culture and recreation	-	-	-
Public safety	-	18,756	83,850
Public works	-	-	-
Health and welfare	-	-	-
Debt Service			
Principal	-	-	20,725
Interest	-	-	3,927
Capital outlay	-	-	29,018
Total expenditures	-	18,756	137,520
Excess (deficiency) of revenues over expenditures	205	(1,504)	(59,120)
Other financing sources (uses):			
Transfers in (out)	-	-	-
Net change in fund balances	205	(1,504)	(59,120)
Fund balances, beginning of year	9,277	32,150	122,765
Fund balances, end of year	\$ 9,482	\$ 30,646	\$ 63,645

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

Special Revenue

<u>Law Enforcement</u>	<u>Library</u>	<u>Lodgers' Tax</u>	<u>Municipal Street</u>	<u>Recreation</u>	<u>Senior Citizen's</u>
\$ -	\$ -	\$ -	\$ 34,499	\$ -	\$ -
-	-	-	9,382	-	-
-	-	30,782	-	-	-
-	-	-	-	-	22,943
17,514	9,899	-	6,950	-	53,145
-	79	-	-	-	-
-	-	-	-	-	18,471
-	3,227	-	50	-	-
3	-	3	39	-	-
17,517	13,205	30,785	50,920	-	94,559
-	12,110	41,160	-	-	-
10,311	-	-	-	-	-
-	-	-	46,054	-	-
-	-	-	-	-	93,210
-	-	-	-	-	-
-	-	-	-	-	-
25,483	-	-	-	-	-
35,794	12,110	41,160	46,054	-	93,210
(18,277)	1,095	(10,375)	4,866	-	1,349
-	-	-	641	-	6,001
(18,277)	1,095	(10,375)	5,507	-	7,350
25,784	6,516	33,249	77,640	1,365	2,677
\$ 7,507	\$ 7,611	\$ 22,874	\$ 83,147	\$ 1,365	\$ 10,027

**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, 2014**

	<u>Special Revenue</u>		
	<u>Water Rights</u>	<u>Activities</u>	<u>Beautification</u>
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Other state shared	-	-	-
Lodgers'	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Other		569	100
Investment	<u>1</u>	<u>3</u>	<u>-</u>
Total revenues	<u>1</u>	<u>572</u>	<u>100</u>
Expenditures			
Current operations:			
Culture and recreation	-	-	-
Public safety	-	-	-
Public works	533	-	1
Health and welfare	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>533</u>	<u>-</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(532)	572	99
Other financing sources (uses):			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>162</u>
Net change in fund balances	(532)	572	261
Fund balances, beginning of year	<u>4,019</u>	<u>3,633</u>	<u>831</u>
Fund balances, end of year	<u>\$ 3,487</u>	<u>\$ 4,205</u>	<u>\$ 1,092</u>

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

<u>Special Revenue</u>			<u>Total Special Revenue Funds</u>	<u>Capital Project</u>
<u>Enchanted Eagle Park</u>	<u>Aquaponics</u>	<u>Recycle</u>		<u>Ambulance Replacement</u>
\$ -	\$ -	\$ -	\$ 34,499	\$ -
-	-	-	24,634	-
-	-	-	30,782	-
-	-	-	22,943	-
-	-	-	165,566	-
-	-	-	279	-
-	-	1,948	22,610	-
4,156	1,155	-	9,289	-
-	-	13	186	-
<u>4,156</u>	<u>1,155</u>	<u>1,961</u>	<u>310,788</u>	<u>-</u>
5,437	657	-	59,364	-
-	-	-	112,917	-
-	-	-	46,588	-
-	-	1,440	94,650	-
-	-	-	20,725	-
-	-	-	3,927	-
-	-	-	54,501	-
<u>5,437</u>	<u>657</u>	<u>1,440</u>	<u>392,672</u>	<u>-</u>
(1,281)	498	521	(81,884)	-
<u>3,343</u>	<u>-</u>	<u>-</u>	<u>10,147</u>	<u>9,999</u>
2,062	498	521	(71,737)	9,999
<u>804</u>	<u>974</u>	<u>14,938</u>	<u>336,622</u>	<u>14,671</u>
<u>\$ 2,866</u>	<u>\$ 1,472</u>	<u>\$ 15,459</u>	<u>\$ 264,885</u>	<u>\$ 24,670</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, 2014**

	<u>Capital Project</u>		
	<u>Public Works Vehicle Replacement</u>	<u>2008 State Coop</u>	<u>Demolition</u>
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ -
Other state shared	-	-	-
Lodgers'	-	-	-
Intergovernmental			
Federal	-	-	-
State	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Other	-	-	-
Investment	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current operations:			
Culture and recreation	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>12,304</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>12,304</u>
Excess (deficiency) of revenues over expenditures	-	-	(12,304)
Other financing sources (uses):			
Transfers in (out)	<u>-</u>	<u>(3,277)</u>	<u>-</u>
Net change in fund balances	-	(3,277)	(12,304)
Fund balances, beginning of year	<u>12</u>	<u>3,277</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12</u>	<u>\$ -</u>	<u>\$(12,304)</u>

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

<u>Capital Project</u>			<u>Total Capital Project Funds</u>	<u>Debt Service</u>	
<u>CDBG</u>	<u>MAP 7607</u>	<u>13-1440 STB</u>		<u>Debt Service Reserve</u>	<u>Replacement Reserve</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
80,131	-	-	80,131	-	-
-	137,948	65,000	202,948	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>80,131</u>	<u>137,948</u>	<u>65,000</u>	<u>283,079</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>80,131</u>	<u>137,948</u>	<u>65,000</u>	<u>295,383</u>	<u>-</u>	<u>-</u>
<u>80,131</u>	<u>137,948</u>	<u>65,000</u>	<u>295,383</u>	<u>-</u>	<u>-</u>
-	-	-	(12,304)	-	-
-	-	3,352	10,074	-	-
-	-	3,352	(2,230)	-	-
<u>100</u>	<u>-</u>	<u>-</u>	<u>18,060</u>	<u>13,444</u>	<u>30,000</u>
<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 15,830</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>

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**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, 2014**

	<u>Debt Service</u>	<u>Total Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes			
Gross receipts	\$ -	\$ -	\$ 34,499
Other state shared	-	-	24,634
Lodgers'	-	-	30,782
Intergovernmental			
Federal	-	-	103,074
State	-	-	368,514
Fines and forfeitures	-	-	279
Charges for services	-	-	22,610
Other	-	-	9,289
Investment	-	-	186
	<u>-</u>	<u>-</u>	<u>593,867</u>
Total revenues			
Expenditures			
Current operations:			
Culture and recreation	-	-	59,364
Public safety	-	-	112,917
Public works	-	-	46,588
Health and welfare	-	-	94,650
Debt Service			
Principal	7,666	7,666	28,391
Interest	5,776	5,776	9,703
Capital outlay	<u>-</u>	<u>-</u>	<u>349,884</u>
	<u>13,442</u>	<u>13,442</u>	<u>701,497</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	(13,442)	(13,442)	(107,630)
Other financing sources (uses):			
Transfers in (out)	<u>14,223</u>	<u>14,223</u>	<u>34,444</u>
Net change in fund balances	781	781	(73,186)
Fund balances, beginning of year	<u>20,504</u>	<u>63,948</u>	<u>418,630</u>
Fund balances, end of year	<u>\$ 21,285</u>	<u>\$ 64,729</u>	<u>\$ 345,444</u>

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

**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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Fines and forfeitures	\$ 1,270	\$ 1,270	\$ 200	\$(1,070)
Investment	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total revenues	<u>1,275</u>	<u>1,275</u>	<u>205</u>	<u>(1,070)</u>
Expenditures				
Current operations:				
Public safety	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net change in fund balances	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 205</u>	<u>\$ 130</u>
Beginning cash	<u>\$ 9,277</u>	<u>\$ 9,277</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Other state shared	\$ 7,900	\$ 7,900	\$ 7,852	\$(48)
Intergovernmental				
State	12,791	13,441	7,200	(6,241)
Charges for services	7,500	7,200	7,233	33
Investment	<u>9</u>	<u>9</u>	<u>9</u>	<u>-</u>
Total revenues	<u>28,200</u>	<u>28,550</u>	<u>22,294</u>	<u>(6,256)</u>
Expenditures				
Current operations:				
Public safety	<u>24,423</u>	<u>24,773</u>	<u>18,756</u>	<u>6,017</u>
Total expenditures	<u>24,423</u>	<u>24,773</u>	<u>18,756</u>	<u>6,017</u>
Net change in fund balances	<u>\$ 3,777</u>	<u>\$ 3,777</u>	3,538	<u>\$(239)</u>
Beginning cash	<u>\$ 22,746</u>	<u>\$ 22,746</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			<u>(5,042)</u>	
Net change in fund balances GAAP basis			<u>\$(1,504)</u>	

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

**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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Other state shared	\$ 7,400	\$ 7,400	\$ 7,400	\$ -
State	71,648	71,648	70,858	(790)
Investment	110	110	110	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
Total revenues	<u>79,158</u>	<u>79,158</u>	<u>78,400</u>	<u>(758)</u>
Expenditures				
Current operations:				
Public safety	39,175	84,175	83,850	325
Debt Service				
Principal	20,725	20,725	20,725	-
Interest	3,927	3,927	3,927	-
Capital outlay	<u>29,100</u>	<u>29,100</u>	<u>29,018</u>	<u>82</u>
Total expenditures	<u>92,927</u>	<u>137,927</u>	<u>137,520</u>	<u>407</u>
Net change in fund balances	<u>\$(13,769)</u>	<u>\$(58,769)</u>	<u>\$(59,120)</u>	<u>\$(351)</u>
Beginning cash	<u>\$ 122,765</u>	<u>\$ 122,765</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental				
State	\$ 20,015	\$ 20,015	\$ 17,514	\$(2,501)
Investment	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Total revenues	<u>20,015</u>	<u>20,015</u>	<u>17,517</u>	<u>(2,498)</u>
Expenditures				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>25,483</u>	<u>14,517</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>35,794</u>	<u>4,206</u>
Net change in fund balances	<u>\$(19,985)</u>	<u>\$(19,985)</u>	<u>\$(18,277)</u>	<u>\$ 1,708</u>
Beginning cash	<u>\$ 25,784</u>	<u>\$ 25,784</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental				
State	\$ 10,000	\$ 10,000	\$ 9,899	\$(101)
Fines and forfeitures	70	70	79	9
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>3,227</u>	<u>1,327</u>
Total revenues	<u>11,970</u>	<u>11,970</u>	<u>13,205</u>	<u>1,235</u>
Expenditures				
Current operations:				
Culture and recreation	<u>11,752</u>	<u>13,602</u>	<u>12,110</u>	<u>1,492</u>
Total expenditures	<u>11,752</u>	<u>13,602</u>	<u>12,110</u>	<u>1,492</u>
Net change in fund balances	<u>\$ 218</u>	<u>\$(1,632)</u>	<u>\$ 1,095</u>	<u>\$ 2,727</u>
Beginning cash	<u>\$ 6,516</u>	<u>\$ 6,516</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Lodgers'	\$ 40,052	\$ 40,052	\$ 34,286	\$(5,766)
Investment	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total revenues	<u>40,055</u>	<u>40,055</u>	<u>34,289</u>	<u>(5,766)</u>
Expenditures				
Current operations:				
Culture and recreation	<u>43,342</u>	<u>48,816</u>	<u>41,160</u>	<u>7,656</u>
Total expenditures	<u>43,342</u>	<u>48,816</u>	<u>41,160</u>	<u>7,656</u>
Net change in fund balances	\$(<u>3,287</u>)	\$(<u>8,761</u>)	(6,871)	\$ <u>1,890</u>
Beginning cash	<u>\$ 26,444</u>	<u>\$ 26,444</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			(3,504)	
Net change in fund balances GAAP basis			<u>\$(10,375)</u>	

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

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Gross receipts	\$ 52,371	\$ 69,480	\$ 32,739	\$(36,741)
Other state shared	9,400	9,400	9,382	(18)
Intergovernmental				
State	6,900	6,900	-	(6,900)
Investment	40	40	39	(1)
Miscellaneous	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Total revenues	<u>68,711</u>	<u>85,820</u>	<u>42,210</u>	<u>(43,610)</u>
Expenditures				
Current operations:				
Public works	<u>79,954</u>	<u>87,063</u>	<u>64,104</u>	<u>22,959</u>
Total expenditures	<u>79,954</u>	<u>87,063</u>	<u>64,104</u>	<u>22,959</u>
Excess (deficiency) of revenues over expenditures	<u>(11,243)</u>	<u>(1,243)</u>	<u>(21,894)</u>	<u>(20,651)</u>
Other financing sources (uses):				
Transfers in (out)	<u>600</u>	<u>600</u>	<u>641</u>	<u>41</u>
Total other financing sources (uses)	<u>600</u>	<u>600</u>	<u>641</u>	<u>41</u>
Net change in fund balances	<u>\$(10,643)</u>	<u>\$(643)</u>	<u>(21,253)</u>	<u>\$(20,610)</u>
Beginning cash	<u>\$ 102,852</u>	<u>\$ 102,852</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			1,760	
Change in payables			18,050	
Change in advances			<u>6,950</u>	
Net change in fund balances GAAP basis			<u>\$ 5,507</u>	

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
RECREATION FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Investment	\$ <u>15</u>	\$ <u>15</u>	\$ -	\$(<u>15</u>)
Total revenues	<u>15</u>	<u>15</u>	<u>-</u>	<u>(15)</u>
Expenditures				
Current operations:				
Culture and recreation	<u>850</u>	<u>850</u>	<u>-</u>	<u>850</u>
Total expenditures	<u>850</u>	<u>850</u>	<u>-</u>	<u>850</u>
Net change in fund balances	<u>\$(835)</u>	<u>\$(835)</u>	<u>\$ -</u>	<u>\$ 835</u>
Beginning cash	<u>\$ 1,365</u>	<u>\$ 1,365</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental				
Federal	\$ 18,437	\$ 18,437	\$ 22,573	\$ 4,136
State	37,136	37,136	47,744	10,608
Charges for services	<u>18,200</u>	<u>24,148</u>	<u>18,471</u>	<u>(5,677)</u>
Total revenues	<u>73,773</u>	<u>79,721</u>	<u>88,788</u>	<u>9,067</u>
Expenditures				
Current operations:				
Health and welfare	<u>71,883</u>	<u>93,210</u>	<u>93,210</u>	<u>-</u>
Total expenditures	<u>71,883</u>	<u>93,210</u>	<u>93,210</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,890</u>	<u>(13,489)</u>	<u>(4,422)</u>	<u>9,067</u>
Other financing sources (uses):				
Transfers in (out)	<u>6,001</u>	<u>6,001</u>	<u>6,001</u>	<u>-</u>
Total other financing sources (uses)	<u>6,001</u>	<u>6,001</u>	<u>6,001</u>	<u>-</u>
Net change in fund balances	<u>\$ 7,891</u>	<u>\$ (7,488)</u>	1,579	<u>\$ 9,067</u>
Beginning cash	<u>\$ -</u>	<u>\$ -</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			<u>5,771</u>	
Net change in fund balances GAAP basis			<u>\$ 7,350</u>	

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
WATER RIGHTS FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Investment	\$ <u>15</u>	\$ <u>15</u>	\$ <u>1</u>	\$(<u>14</u>)
Total revenues	<u>15</u>	<u>15</u>	<u>1</u>	<u>(14)</u>
Expenditures				
Current operations:				
Public works	<u>4,000</u>	<u>4,000</u>	<u>533</u>	<u>3,467</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>533</u>	<u>3,467</u>
Net change in fund balances	<u>\$(3,985)</u>	<u>\$(3,985)</u>	<u>\$(532)</u>	<u>\$(3,481)</u>
Beginning cash	<u>\$ 4,019</u>	<u>\$ 4,019</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Investment	\$ 3	\$ 3	\$ 3	\$ -
Miscellaneous	<u>75</u>	<u>75</u>	<u>569</u>	<u>494</u>
Total revenues	<u>78</u>	<u>78</u>	<u>572</u>	<u>494</u>
Expenditures				
Current operations:				
Culture and recreation	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net change in fund balances	<u>\$ (2,922)</u>	<u>\$ (2,922)</u>	<u>\$ 572</u>	<u>\$ 3,494</u>
Beginning cash	<u>\$ 3,633</u>	<u>\$ 3,633</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Miscellaneous	\$ <u>3,300</u>	\$ <u>3,300</u>	\$ <u>100</u>	\$(<u>3,200</u>)
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>100</u>	<u>(3,200)</u>
Expenditures				
Current operations:				
Public works	<u>3,500</u>	<u>3,500</u>	<u>1</u>	<u>3,499</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>1</u>	<u>3,499</u>
Excess (deficiency) of revenues over expenditures	<u>(200)</u>	<u>(200)</u>	<u>99</u>	<u>299</u>
Other financing sources (uses):				
Transfers in (out)	<u>200</u>	<u>200</u>	<u>162</u>	<u>(38)</u>
Total other financing sources (uses)	<u>200</u>	<u>200</u>	<u>162</u>	<u>(38)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261</u>	<u>\$ 261</u>
Beginning cash	<u>\$ 831</u>	<u>\$ 831</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Miscellaneous	\$ <u>5,000</u>	\$ <u>5,000</u>	\$ <u>4,156</u>	\$(<u>844</u>)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,156</u>	<u>(844)</u>
Expenditures				
Current operations:				
Culture and recreation	\$ <u>5,000</u>	\$ <u>5,450</u>	\$ <u>5,437</u>	\$ <u>13</u>
Total expenditures	<u>5,000</u>	<u>5,450</u>	<u>5,437</u>	<u>13</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(450)</u>	<u>(1,281)</u>	<u>(831)</u>
Other financing sources (uses):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>3,343</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>3,343</u>
Net change in fund balances	<u>\$ -</u>	<u>\$(450)</u>	<u>\$ 2,062</u>	<u>\$ 2,512</u>
Beginning cash	<u>\$ 804</u>	<u>\$ 804</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Miscellaneous	\$ <u>700</u>	\$ <u>700</u>	\$ <u>1,155</u>	\$ <u>455</u>
Total revenues	<u>700</u>	<u>700</u>	<u>1,155</u>	<u>455</u>
Expenditures				
Current operations:				
Culture and recreation	<u>700</u>	<u>700</u>	<u>657</u>	<u>43</u>
Total expenditures	<u>700</u>	<u>700</u>	<u>657</u>	<u>43</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>498</u></u>	\$ <u><u>498</u></u>
Beginning cash	\$ <u><u>974</u></u>	\$ <u><u>974</u></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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Charges for services	\$ 3,000	\$ 3,000	\$ 1,948	\$(1,052)
Investment	<u>50</u>	<u>50</u>	<u>13</u>	<u>(37)</u>
Total revenues	<u>3,050</u>	<u>3,050</u>	<u>1,961</u>	<u>(1,089)</u>
Expenditures				
Current operations:				
Health and welfare	<u>3,000</u>	<u>3,000</u>	<u>1,440</u>	<u>1,560</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>1,440</u>	<u>1,560</u>
Net change in fund balances	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 521</u>	<u>\$ 471</u>
Beginning cash	<u>\$ 14,938</u>	<u>\$ 14,938</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Intergovernmental				
State	\$ <u>-</u>	\$ <u>413,897</u>	\$ <u>413,897</u>	\$ <u>-</u>
Total revenues	<u>-</u>	<u>413,897</u>	<u>413,897</u>	<u>-</u>
Expenditures				
Capital outlay	<u>-</u>	<u>466,622</u>	<u>466,622</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>466,622</u>	<u>466,622</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(52,725)</u>	<u>(52,725)</u>	<u>-</u>
Other financing sources (uses):				
Debt proceeds	<u>-</u>	<u>58,500</u>	<u>58,500</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>117,000</u>	<u>58,500</u>	<u>(58,500)</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>64,275</u>	5,775	\$ <u>(58,500)</u>
Beginning cash	\$ <u>-</u>	\$ <u>-</u>		
RECONCILIATION TO GAAP BASIS				
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
MARINA WAY FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental				
State	\$ <u>104,478</u>	\$ <u>222,081</u>	\$ <u>158,790</u>	\$(<u>63,291</u>)
Total revenues	<u>104,478</u>	<u>222,081</u>	<u>158,790</u>	<u>(63,291)</u>
Expenditures				
Capital outlay	<u>95,391</u>	<u>225,492</u>	<u>205,760</u>	<u>19,732</u>
Total expenditures	<u>95,391</u>	<u>225,492</u>	<u>205,760</u>	<u>19,732</u>
Excess (deficiency) of revenues over expenditures	<u>9,087</u>	<u>(3,411)</u>	<u>(46,970)</u>	<u>(43,559)</u>
Other financing sources (uses):				
Transfers in (out)	<u>(3,352)</u>	<u>(3,352)</u>	<u>(3,352)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,352)</u>	<u>(3,352)</u>	<u>(3,352)</u>	<u>-</u>
Net change in fund balances	\$ <u><u>5,735</u></u>	\$ <u><u>(6,763)</u></u>	\$ <u><u>(50,322)</u></u>	\$ <u><u>(43,559)</u></u>
Beginning cash	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			328,714	
Change in payables			<u>(286,029)</u>	
Net change in fund balances GAAP basis			<u><u>\$(7,637)</u></u>	

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Investment	\$ <u>15</u>	\$ <u>15</u>	\$ <u>-</u>	\$(<u>15</u>)
Total revenues	<u>15</u>	<u>15</u>	<u>-</u>	<u>(15)</u>
Other financing sources (uses):				
Transfers in (out)	\$ <u>-</u>	\$ <u>10,000</u>	\$ <u>9,999</u>	\$(<u>1</u>)
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>9,999</u>	<u>(1)</u>
Net change in fund balances	<u>\$ 15</u>	<u>\$ 10,015</u>	<u>\$ 9,999</u>	<u>\$(16)</u>
Beginning cash	<u>\$ 14,671</u>	<u>\$ 14,671</u>		

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
PUBLIC WORKS VEHICLE REPLACEMENT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Miscellaneous	\$ <u>8,025</u>	\$ <u>8,025</u>	\$ <u>-</u>	\$(<u>8,025</u>)
Total revenues	<u>8,025</u>	<u>8,025</u>	<u>-</u>	<u>(8,025)</u>
Expenditures				
Capital outlay	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net change in fund balances	\$ <u>25</u>	\$ <u>25</u>	\$ <u>-</u>	\$(<u>25</u>)
Beginning cash	\$ <u>12</u>	\$ <u>12</u>		

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
2008 STATE COOP FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u> </u>
Other financing sources (uses):				
Transfers in (out)	\$ <u> -</u>	\$(<u> 3,277</u>)	\$(<u> 3,277</u>)	\$ <u> -</u>
Total other financing sources (uses)	<u> -</u>	<u>(3,277)</u>	<u>(3,277)</u>	<u> -</u>
Net change in fund balances	<u>\$ -</u>	<u>\$(3,277)</u>	<u>\$(3,277)</u>	<u>\$ -</u>
Beginning cash	<u>\$ 3,277</u>	<u>\$ 3,277</u>		

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental				
State	\$ <u>50,000</u>	\$ <u>50,000</u>	\$ <u>-</u>	\$(<u>50,000</u>)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Expenditures				
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>12,304</u>	<u>37,696</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>12,304</u>	<u>37,696</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$(<u><u>12,304</u></u>)	\$(<u><u>12,304</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Intergovernmental				
Federal	\$ <u>516,000</u>	\$ <u>516,000</u>	\$ <u>75,364</u>	\$(<u>440,636</u>)
Total revenues	<u>516,000</u>	<u>516,000</u>	<u>75,364</u>	<u>(440,636)</u>
Expenditures				
Capital outlay	<u>516,000</u>	<u>516,000</u>	<u>75,364</u>	<u>440,636</u>
Total expenditures	<u>516,000</u>	<u>516,000</u>	<u>75,364</u>	<u>440,636</u>
Net change in fund balances	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</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
MAP 7607 FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes:				
Intergovernmental				
State	\$ <u>137,948</u>	\$ <u>137,948</u>	\$ <u>-</u>	\$(<u>137,948</u>)
Total revenues	<u>137,948</u>	<u>137,948</u>	<u>-</u>	<u>(137,948)</u>
Expenditures				
Capital outlay	<u>137,948</u>	<u>137,948</u>	<u>137,948</u>	<u>-</u>
Total expenditures	<u>137,948</u>	<u>137,948</u>	<u>137,948</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(137,948)</u>	<u>(137,948)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(137,948)</u>	<u>\$(137,948)</u>
Beginning cash	<u>\$ 137,948</u>	<u>\$ 137,948</u>		
RECONCILIATION TO GAAP BASIS				
Change in receivables			-	
Change in advances			<u>137,948</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
13-1440 STB FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (Non-GAAP Basis) and ACTUAL (Budgetary Basis)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental				
State	\$ <u>65,000</u>	\$ <u>65,000</u>	\$ <u>65,000</u>	\$ <u>-</u>
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Expenditures				
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in (out)	<u>-</u>	<u>3,352</u>	<u>3,352</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>3,352</u>	<u>3,352</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 3,352</u>	<u>\$ -</u>
Beginning cash	<u>\$ -</u>	<u>\$ -</u>		

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Expenditures				
Debt Service				
Principal	\$ 7,666	\$ 7,666	\$ 7,666	\$ -
Interest	<u>5,778</u>	<u>5,778</u>	<u>5,776</u>	<u>2</u>
Total expenditures	<u>13,444</u>	<u>13,444</u>	<u>13,442</u>	<u>2</u>
Other financing sources (uses):				
Transfers in (out)	<u>13,444</u>	<u>13,444</u>	<u>14,223</u>	<u>779</u>
Total other financing sources (uses)	<u>13,444</u>	<u>13,444</u>	<u>14,223</u>	<u>779</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781</u>	<u>\$ 777</u>
Beginning cash	<u>\$ 20,504</u>	<u>\$ 20,504</u>		

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
JOINT UTILITY FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 167,602	\$ 202,852	\$ 151,007	\$(51,845)
Miscellaneous	<u>11,488</u>	<u>11,488</u>	<u>450</u>	<u>(11,038)</u>
Total operating revenues	<u>179,090</u>	<u>214,340</u>	<u>151,457</u>	<u>(62,883)</u>
Operating expenses:				
Personnel services	75,433	110,683	37,781	72,902
Contract services	67,027	102,277	7,721	94,556
Other operating expense	<u>104,500</u>	<u>104,500</u>	<u>82,602</u>	<u>21,898</u>
Total operating expenses	<u>246,960</u>	<u>317,460</u>	<u>128,104</u>	<u>189,356</u>
Net operating income excluding non-budgeted expenses	<u>(67,870)</u>	<u>(103,120)</u>	<u>23,353</u>	<u>(252,239)</u>
Non-operating revenues (expenses):				
Investment	250	250	78	(172)
Gross receipts taxes	<u>6,732</u>	<u>6,732</u>	<u>8,625</u>	<u>1,893</u>
Total non-operating revenues (expenses)	<u>6,982</u>	<u>6,982</u>	<u>8,703</u>	<u>1,721</u>
Other financing sources (uses):				
Transfers in (out)	<u>(23,000)</u>	<u>(23,000)</u>	<u>(22,633)</u>	<u>367</u>
Total transfers in (out)	<u>(23,000)</u>	<u>(23,000)</u>	<u>(22,633)</u>	<u>367</u>
Net income (loss) excluding non-budgeted expenses	<u>(83,888)</u>	<u>(119,138)</u>	<u>9,423</u>	<u>(250,151)</u>
Less non-budgeted revenues (expenses):				
Depreciation	<u>-</u>	<u>-</u>	<u>41,179</u>	<u>(41,179)</u>
Total non-budgeted revenues (expenses)	<u>-</u>	<u>-</u>	<u>41,179</u>	<u>(41,179)</u>
Net income (loss)	<u><u>\$(83,888)</u></u>	<u><u>\$(119,138)</u></u>	<u><u>\$(31,756)</u></u>	<u><u>\$(291,330)</u></u>

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

**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
SOLID WASTE FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 107,781	\$ 107,781	\$ 93,830	\$(13,951)
Miscellaneous	<u>80</u>	<u>80</u>	<u>67</u>	<u>(13)</u>
Total operating revenues	<u>107,861</u>	<u>107,861</u>	<u>93,897</u>	<u>(13,964)</u>
Operating expenses:				
Personnel services	43,302	43,302	32,405	10,897
Contract services	65,200	65,200	65,119	81
Other operating expense	<u>8,600</u>	<u>8,600</u>	<u>8,594</u>	<u>6</u>
Total operating expenses	<u>117,102</u>	<u>117,102</u>	<u>106,118</u>	<u>10,984</u>
Net operating income excluding non-budgeted expenses	<u>(9,241)</u>	<u>(9,241)</u>	<u>(12,221)</u>	<u>(24,948)</u>
Non-operating revenues (expenses):				
Investment	100	100	14	(86)
Gross receipts taxes	<u>3,368</u>	<u>3,368</u>	<u>4,313</u>	<u>945</u>
Total non-operating revenues (expenses)	<u>3,468</u>	<u>3,468</u>	<u>4,327</u>	<u>859</u>
Net income (loss)	<u><u>\$(5,773)</u></u>	<u><u>\$(5,773)</u></u>	<u><u>\$(7,894)</u></u>	<u><u>\$(24,089)</u></u>

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

OTHER SUPPLEMENTARY INFORMATION



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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 comparison of the general fund of the Village of Eagle Nest, New Mexico (Village), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated November 21, 2014.

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.

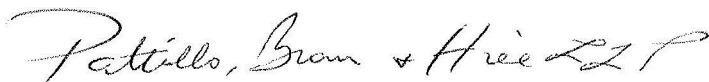
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in cursive script that reads "Pattillo, Brown & Hill LLP".

Pattillo, Brown & Hill, LLP
Albuquerque, New Mexico
November 21, 2014

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**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
SCHEDULE OF FINDING AND RESPONSES
JUNE 30, 2014**

Financial Statement Findings

Prior Year

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

Current Year

None

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**STATE OF NEW MEXICO
VILLAGE OF EAGLE NEST
EXIT CONFERENCE
JUNE 30, 2014**

EXIT CONFERENCE

An exit conference was held on November 21, 2014 at the Village's offices. In attendance were Bill Lowery, Mayor Pro-Tem, Cathy Coppy, CMC, Village Finance Officer, and Faye Longo, Interim Municipal Clerk 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.