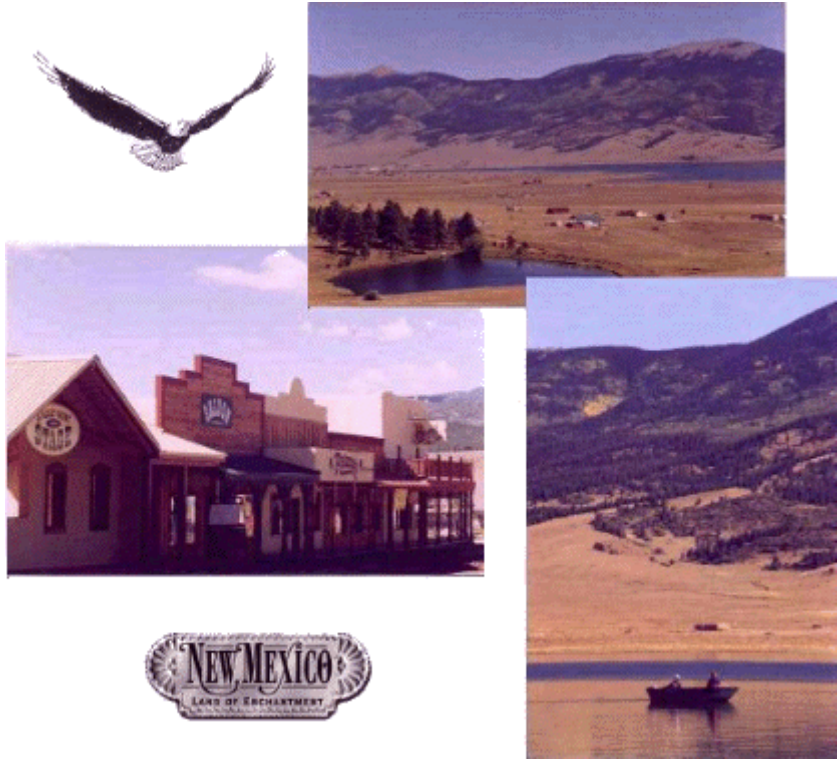


**STATE OF NEW MEXICO**



**VILLAGE OF EAGLE NEST  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2016**

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
OFFICIAL ROSTER  
June 30, 2016

**Name**

Village Council

**Title**

Richard Cordova

Mayor

Bill Lowery

Mayor Pro-tem/Councilor

Fox Guinn

Council Member

Jamie McCaslin

Council Member

Aaron Becton

Council Member

Village Officials

Mary Berglund

Village Administrator

Cathy Cobby, CMC

Village Finance Officer

Lisa Sanchez

Village Clerk

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State of New Mexico  
Village of Eagle Nest  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2016

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Village of Eagle Nest  
Eagle Nest, New Mexico

### **Report on Financial Statements**

We audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds and major capital project funds of the Village of Eagle Nest (the "Village") as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Village of Eagle Nest's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village of Eagle Nest's nonmajor special revenue funds and the budgetary comparisons for the major capital project funds, nonmajor special revenue funds, debt service funds, and the enterprise 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, 2016, as listed in the table of contents. We did not audit the 2015 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Public Employee Retirement Association (PERA), the administrator of the cost sharing pension plan for the Village. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village, is based solely on the report of the other auditors.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain 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 Village of Eagle Nest'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 Village of Eagle Nest'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.

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## **Opinions**

In our opinion, based on our report and the report of the other auditors, 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, as of June 30, 2016, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds, and major capital project funds for the year then ended in conformity 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 special revenue fund of the Village of Eagle Nest as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, nonmajor special revenue funds, debt service funds, and the enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13-20, the *Schedule of Proportionate Share of Net Pension liability* on page 115, the *Schedule of Contributions* on page 117, and the *notes to required supplementary information* on page 119 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the Village of Eagle Nest's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are 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 statement 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 other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016 on our consideration of the Village of Eagle Nest'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 of Eagle Nest's internal control over financial reporting and compliance.

*Precision Accounting, LLC*

Precision Accounting, LLC  
Albuquerque, New Mexico  
October 27, 2016

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STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
for the Year Ended June 30, 2016

As management of the Village of Eagle Nest, we offer readers of the Village of Eagle Nest financial statements this narrative overview and analysis of the financial activities of the Village of Eagle Nest for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements of the Village of Eagle Nest and additional information provided.

#### FINANCIAL HIGHLIGHTS

- The assets \$6,945,713 of the Village of Eagle Nest exceeded its liabilities of \$1,040,162 and its deferred inflows of resources of \$21,564 at the close of the most recent fiscal year by \$5,883,987 (*net position*). Of this amount, \$34,083 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$64,911 during the fiscal year. The majority of this increase is due to the addition of capital assets.
- As of June 30, 2016, the Village's governmental funds reported combined ending fund balances of \$527,174 of this total; \$100 is restricted for capital projects, \$22,847 is restricted for debt service, and \$306,871 is restricted for special revenue funds.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Eagle Nest's basic financial statements. The Village of Eagle Nest's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Eagle Nest's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village of Eagle Nest's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Eagle Nest is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Eagle Nest that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Village of Eagle Nest include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Village include Sewer, Water & Trash Utility billing and various licensing.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
for the Year Ended June 30, 2016

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Eagle Nest, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Eagle Nest can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental Funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Village's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Eagle Nest maintains twenty five individual governmental funds organized according to their type. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Municipal Streets Fund, CDBG Capital Project Fund, all of which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Eagle Nest adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Municipal Streets Fund, CDBG Capital Project Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-3 of this report.

*Proprietary funds.* Proprietary funds are generally used to account for services for which the Village charges customers either outside customers or internal units or departments of the Village. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-65 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 74-111 of this report.

STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
for the Year Ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the fifth year that the Village has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements--and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Eagle Nest, assets exceeded liabilities by \$5,883,987 at the close of the current fiscal year.

The largest portion of the Village of Eagle Nest's net position represents the Village's investment of \$5,198,799 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. The Village of Eagle Nest uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Eagle Nest's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>Village of Eagle Nest's Net Position</b>						
	June 30, 2016			June 30, 2015		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
<b>Assets</b>						
Current and other assets	\$ 985,464	\$ 314,444	\$ 1,299,908	\$ 986,461	317,252	1,303,713
Restricted Cash	-	-	-	12,354	-	12,354
Capital assets, net of accumulated depreciation	4,762,037	864,953	5,626,990	4,716,239	792,729	5,521,322
<b>Deferred Outflows of resources</b>	18,815	-	18,815	14,205	-	14,205
Total Assets	5,766,316	1,179,397	6,945,713	5,729,259	1,109,981	6,839,240
<b>Liabilities</b>						
Long-term liabilities outstanding	444,383	92,983	537,366	418,244	23,140	441,384
Other Liabilities	474,191	28,605	502,796	508,330	3,395	511,725
Total Liabilities	918,574	121,588	1,040,162	926,574	26,535	953,109
Deferred inflow of resources	21,564	-	21,564	67,055	-	67,055
<b>Net position</b>						
Net investment in capital assets	4,418,416	780,383	5,198,799	4,645,197	792,729	5,437,926
Restricted	651,105	-	651,105	352,066	-	352,066
Unrestricted	(243,343)	277,426	34,083	(261,633)	290,717	29,084
Total Net Position	4,826,178	1,057,809	5,883,987	4,735,630	1,083,446	5,819,076
Total Liabilities, Deferred inflow of resources and Net Position	\$ 5,766,316	\$ 1,179,397	\$ 6,945,713	\$ 5,729,259	\$ 1,109,981	\$ 6,839,240

STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
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A portion of the Village of Eagle Nest's net position represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

At the end of the current fiscal year, the Village of Eagle Nest is able to report positive balances in all of the categories of net position, for the government as a whole as well as for the business-type activities.

The Village of Eagle Nest's total net position increased by \$64,911 during the current fiscal year. This increase is explained in the government and business-type activities discussion below, and is primarily a result of an increase in capital assets during the fiscal year.

Statement of Activities  
For the Year Ended June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>Revenue</b>			
<b>Program revenue</b>			
Charges for Service	131,764	305,314	437,078
Operating grants and contributions	221,869	-	221,869
Capital Grants and Contributions	282,561	-	282,561
<b>General Revenue</b>			
Property Taxes	57,285	-	57,285
Franchise Taxes	17,955	-	17,955
Gas Taxes	9,209	-	9,209
Gross Receipts Taxes	211,293	-	211,293
Public Service Taxes	6,916	-	6,916
Interest Income	1,751	213	1,964
Misc Revenues	20,243	-	20,243
Total Revenue	960,846	305,527	1,266,373
<b>Expenses</b>			
General Government	633,164	-	633,164
Public Safety	80,997	-	80,997
Public Works	45,105	-	45,105
Culture and recreation	12,032	-	12,032
Health and Welfare	35,298	-	35,298
Interest on Long-term debt	-	-	-
Business-Type Funds	-	294,866	294,866
Total Expenses	906,596	294,866	1,201,462
(Decrease) Increase in Assets before transfer	54,250	10,661	64,911
Transfers	36,298	(36,298)	-
(Decrease) Increase in Net position	90,548	(25,637)	64,911
Net position, Beginning of Year, restated	4,735,630	1,083,446	5,819,076
Ending Net position, beginning	4,826,178	1,057,809	5,883,987

STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
for the Year Ended June 30, 2016

Governmental activities: Governmental activities increased the Village of Eagle Nest's net position by \$90,548.

Business-type activities: Business-type activities decrease the Village's net position by \$(25,637).

Statement of Activities  
For the Year Ended June 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>Revenue</b>			
<b>Program revenue</b>			
Charges for Service	131,764	322,131	464,707
Operating grants and contributions	221,869	-	221,869
Capital Grants and Contributions	282,561	-	282,561
<b>General Revenue</b>			
Property Taxes	57,285	-	57,285
Franchise Taxes	17,955	-	17,955
Gas Taxes	10,052	-	10,052
Gross Receipts Taxes	211,293	-	211,293
Public Service Taxes	6,916	-	6,916
Interest Income	1,751	213	1,964
Misc Revenues	20,243	-	569,576
Total Revenue	1,729,316	305,527	4,042,251
<b>Expenses</b>			
General Government	608,145	-	608,145
Public Safety	100,508	-	100,508
Public Works	1,050,110	-	1,050,110
Culture and recreation	159,718	-	159,718
Health and Welfare	26,195	-	26,195
Interest on Long-term debt	-	-	-
Business-Type Funds	-	352,344	352,344
Total Expenses	1,944,676	352,344	2,297,020
(Decrease) Increase in Assets before transfer	(215,360)	(30,107)	(245,467)
Transfers	36,298	22,767	60,675
(Decrease) Increase in Net position	(177,452)	(7,340)	(184,792)
Net position, Beginning of Year, restated	4,913,082	1,090,785	6,003,868
Ending Net position, beginning	4,735,630	1,083,446	5,819,076

STATE OF NEW MEXICO  
Village of Eagle Nest  
Management's Discussion and Analysis  
for the Year Ended June 30, 2016  
Unaudited

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, Village of Eagle Nest uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of Village of Eagle Nest's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Village of Eagle Nest's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the Village include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the current fiscal year, Village of Eagle Nest's governmental funds reported combined ending fund balances of \$527,174 an increase of \$1,219 in comparison with the prior year. Of this amount, \$197,356 constitutes *unreserved fund balance*, which is available for spending at the government's discretion, \$306,871 constitutes reserved fund balances for special revenue funds, \$22,847 reserved for debt service and \$100 constitutes reserved fund balance for capital project funds.

Revenues for governmental activities overall totaled \$954,459 in the fiscal year ended June 30, 2016, which represents a decrease of \$626,375 from the fiscal year ended June 30, 2015. Expenditures for governmental activities, totaling \$989,538 decreased by \$573,937 from the fiscal year ended June 30, 2015.

The General Fund is the chief operating fund of Village of Eagle Nest. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$200,408 of which \$200,408 was unassigned.

The fund balance of Village of Eagle Nest's general fund increased by \$9,195 during the current fiscal year due to expenditures and operating transfers in excess of revenues.

*Fire Protection Fund.* The Fire Protection Fund has a fund balance \$9,202. The net decrease in fund balance for the current year was \$13,132. The decrease in fund balance is due primarily to expenditures being in excess of revenues.

*Senior Citizen Fund.* The Senior Citizen Fund has a fund balance of \$32,663. The net increase in fund balance for the year was \$22,530 due to revenues exceeding expenditures.

*Proprietary Funds.* The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the net position for Joint Utility Fund was \$986,126 and \$71,683 for the Solid Waste Fund. The total decrease in net position for the proprietary funds was \$(25,637). Factors concerning the finances of this fund have been addressed previously in the discussion of the Village's business-type activities.

STATE OF NEW MEXICO  
 Village of Eagle Nest  
 Management's Discussion and Analysis  
 for the Year Ended June 30, 2016  
 Unaudited

General Fund Budgetary Highlights

Village budgets reflect the same pattern as seen in the revenue and expenditures of the Village. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the Village level, Village of Eagle Nest utilizes goals and objectives defined by the Village Councilors, community input meetings, long term plans and input from various staff groups to develop the Village budget. Village priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

Final Budget	Actual non-GAAP Cash Basis	Favorable/(Unfavorable) Variance
\$362,514	\$357,299	\$5,215

During the budgeting process, the Village budgeted all expenditures under the general government line item. Throughout the year when expenditures were anticipated in other functions, the Village prepared BAR's to increase the budget for the general fund for those functions.

The Capital Project Funds (non-major) are included in the original budget which is submitted to the Department of Finance and Administration (DFA). However, these funds are spent on a project-by-project basis so the budgets are constantly changing. The individual project budgets for these funds are created during the year through budget adjustment requests (BAR's).

Capital Asset and Debt Administration

Capital assets. Village of Eagle Nest's capital assets for its governmental and business-type activities as of June 30, 2016 amount to \$5,626,990 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery and equipment and vehicles. There was a \$45,798 increase in the Village's governmental capital assets (excluding accumulated depreciation) for the current fiscal year due primarily to the infrastructure improvements. There was \$72,224 increase (excluding accumulated depreciation) in business-type capital assets during the current fiscal year.

Capital Assets, June 30, 2016

	Governmental Total Activities	Business-type Activities
Infrastructure	\$ 6,561,132	\$ -
Land	363,906	179,500
Buildings and improvements	1,642,813	1,603,072
Equipment and Vehicles	1,403,414	138,484
Total capital assets	9,971,265	1,921,056
Accumulated depreciation	5,209,228	1,056,103
Capital assets, net of accumulated depreciation	\$ 4,762,037	\$ 864,953

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Management's Discussion and Analysis  
for the Year Ended June 30, 2016  
Unaudited

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 7 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration- At the end of the current fiscal year, Village of Eagle Nest had total long-term obligations outstanding of \$380,246. Of this amount, \$268,298 is associated with long term note payables.

Village of Eagle Nest's Outstanding Debt  
As of June 30, 2016

	Governmental Activities	Business-type Activities	Total
Loans	\$ 268,298	\$ -	\$ 268,298
Compensated Absences	\$ 16,073	\$ 11,305	\$ 27,378
Capital Lease Payable-Caterpillar	\$ -	\$ 84,570	\$ 84,570
<b>Total long-term liabilities</b>	<b>\$ 284,371</b>	<b>\$ 95,874</b>	<b>\$ 380,246</b>

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding Village of Eagle Nest's long-term debt.

**Economic Factors and Next Year's Budgets and Rates**

The following are currently known facts, decisions, or conditions that are expected to have a significant effect and impact on the Village's financial position or results of operations. After a two year cycle of large infrastructure projects that impacted gross receipt taxes, the Village is facing a lean year both on the capital project side, as well as a down economy. With this in mind, the Village budgeted Gross Receipt Taxes remains current with FY 2014/2015 budget. The Village employees received a 3% cost of living increase and with continued frugal spending controls the Village will maintain a tight rein on the budget. The Village has been awarded a \$500,000 Community Development Block Grant and an \$80,000 SAP for Water System Improvements for the Village infrastructure which is scheduled to be completed in December of 2016, \$40,000 New Mexico Department of Transportation COOP Grant and \$143,432 MAP Grant. An additional \$50,000 SAP will be used to plan and design the next phase of the Water System Improvements in West Lake Subdivision. The Village of Eagle Nest has been named a New Mexico Frontier Community, which will assist the Village with the development of "Main Street" and the Enchanted Eagle Park as a venue site. In August of 2016 the Village held the first EagleFest music event and Soaring Eagle 5K Challenge. With the success of EagleFest, this will become an annual event. Enchanted Eagle Park continues to be a top priority for development and improvements towards a park that will provide activities for residents and visitors alike. Other areas of development include additional Senior Center services, attracting new businesses, including broadband corporations and Healthcare Clinic or Urgent Care facility. The Village has received legislative appropriations for the Eagle Nest Senior Center include \$26,250 for ADA doors, \$5,500 for equipment and \$81,600 for facility improvements. An application to the Angel Fire Community Foundation for improvements to the Eagle Nest Village Hall and Community Center was awarded in the amount of \$30,000. Applications for FY 16/17 projects are \$50,000 CDBG Planning Grant for a revised Village of Eagle Nest Comprehensive Plan, \$325,000 New Mexico Department of Transportation MAP application for Village street improvements and \$1,330,000 Water Trust Board application for water system improvements to the annexed area of the Village. The Village continues exploring water and waste water infrastructure improvements. An analysis of the enterprise funds is being conducted to see where the Village can improve and consider raising rates. A probable increase to waste water and solid waste rates is being explored due to rising cost of equipment, maintenance of equipment, disposal fees and transportation of solid waste. Through the efforts of the elected officials, Village employees and the community the Village will continue to strive for continued improvements to economic development and infrastructure improvements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Village of Eagle Nest's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:  
Village of Eagle Nest Administration, Village of Eagle Nest ,151 Willow Drive, P.O. Box 168, Eagle Nest, New Mexico, 87718-0168.



**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF NET POSITION**  
June 30, 2016

Exhibit A-1

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 608,985	\$ -	\$ 608,985
Due from Pooled Cash	243,769	181,860	425,629
Investments	82,845	87,903	170,748
Taxes receivable	17,475	-	17,475
Accounts receivable	32,390	44,681	77,071
Prepaid Deposits	-	-	-
<b>Total Current Assets</b>	<u>985,464</u>	<u>314,444</u>	<u>1,299,908</u>
Noncurrent Assets			
Restricted Cash due from Pooled Cash	-	-	-
Capital assets	9,971,265	1,921,056	11,892,321
Less: accumulated depreciation	<u>(5,209,228)</u>	<u>(1,056,103)</u>	<u>(6,265,331)</u>
<b>Total Noncurrent Assets</b>	<u>4,762,037</u>	<u>864,953</u>	<u>5,626,990</u>
Deferred outflows of resources			
Post Measurement Date Contributions-Employer	<u>18,815</u>	<u>-</u>	<u>18,815</u>
<b>Total Deferred outflows of resources</b>	<u>18,815</u>	<u>-</u>	<u>18,815</u>
<b>Total Assets</b>	<u>\$ 5,766,316</u>	<u>\$ 1,179,397</u>	<u>\$ 6,945,713</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF NET POSITION**  
June 30, 2016

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current Liabilities			
Due to Pooled Cash	\$ 421,722	\$ 3,907	\$ 425,629
Accounts payable	11,035	7,156	18,191
Accrued salaries and benefits	4,546	406	4,952
Accrued interest	1,914	-	1,914
Current portion of loans/bonds payable	34,974	17,136	52,110
Total Current Liabilities	474,191	28,605	502,796
Noncurrent Liabilities			
Deposits Payable	4,323	14,244	18,567
Accrued Compensated Absences	16,073	11,305	27,378
Loans/bonds payable	233,324	67,434	300,758
Net Pension Liability	190,663	-	190,663
Total Noncurrent Liabilities	444,383	92,983	537,366
Total Liabilities	918,574	121,588	1,040,162
Deferred inflows of resources			
Change in Assumptions in Net Pension Liability	74	-	74
Investment Experience in Net Pension Liability	603	-	603
Actuarial Experience in Net Pension Liability	4,223	-	4,223
Unavailable revenue-property taxes	16,664	-	16,664
Total Deferred inflows of resources	21,564	-	21,564
<b>Net Position</b>			
Net Investment in Capital Assets	4,418,416	780,383	5,198,799
Restricted for:			
Capital projects	266,026	-	266,026
Special revenue funds	384,298	-	384,298
Debt Service funds	781	-	781
Unrestricted	(243,343)	277,426	34,083
Total Net Position	4,826,178	1,057,809	5,883,987
Total Liabilities, Deferred inflows of resources and Net Position	\$ 5,766,316	\$ 1,179,397	\$ 6,945,713

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF ACTIVITIES**  
For the Year Ending June 30, 2016

Exhibit A-2

	<b>Program Revenues</b>		
Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>			
General government	\$ 633,164	\$ 121,959	\$ 7,500
Public safety	80,997	-	108,563
Public works	45,105	2,277	-
Culture and recreation	112,032	7,528	599
Health and welfare	35,298	-	105,207
Interest on long-term debt	-	-	-
	906,596	131,764	221,869
<b>Total governmental activities</b>			
<b>Business-type Activities:</b>			
Joint Utilities	294,866	305,314	-
	294,866	305,314	-
<b>Total business type activities</b>			
	\$ 1,201,462	\$ 437,078	\$ 221,869
<b>Total</b>	\$ 1,201,462	\$ 437,078	\$ 221,869

**General Revenues:**

Taxes

Property taxes, levied for general purposes

Franchise taxes

Gas taxes

Gross receipts taxes

Public service taxes

Interest income

Miscellaneous income

Transfers

Total General Revenues and Transfers

Changes in net position

Net position, beginning

Net position, ending

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF ACTIVITIES**  
For the Year Ending June 30, 2016

Exhibit A-2

<u>Program Revenues</u>	<u>Net Program (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ -	\$ (503,705)	\$ -	\$ (503,705)
-	27,566	-	27,566
282,561	239,733	-	239,733
-	(103,905)	-	(103,905)
-	69,909	-	69,909
-	-	-	-
282,561	(270,402)	-	(270,402)
-	-	10,448	10,448
-	-	10,448	10,448
<u>\$ 282,561</u>	<u>(270,402)</u>	<u>10,448</u>	<u>(259,954)</u>
	57,285	-	57,285
	17,955	-	17,955
	9,209	-	9,209
	211,293	-	211,293
	6,916	-	6,916
	1,751	213	1,964
	20,243	-	20,243
	36,298	(36,298)	-
	360,950	(36,085)	324,865
	90,548	(25,637)	64,911
	4,735,630	1,083,446	5,819,076
	<u>\$ 4,826,178</u>	<u>\$ 1,057,809</u>	<u>\$ 5,883,987</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2016

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Senior Citizen Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Assets</i>					
Cash and cash equivalents	\$ 596,661	\$ 3,887	\$ -	\$ 8,437	\$ 608,985
Due from Pooled Cash	-	-	29,442	214,327	243,769
Investments	7,039	5,880	-	69,926	82,845
Other receivables	31,731	-	3,936	5,866	41,533
Prepaid Deposits	-	-	-	-	-
<i>Total assets</i>	<u>\$ 635,431</u>	<u>\$ 9,767</u>	<u>\$ 33,378</u>	<u>\$ 298,556</u>	<u>\$ 977,132</u>
<i>Liabilities and fund balances</i>					
<i>Liabilities</i>					
Due to Pooled Cash	\$ 421,722	\$ -	\$ -	\$ -	\$ 421,722
Accounts payable	712	565	426	13,655	15,358
Accrued salaries and benefits	4,257	-	289	-	4,546
<i>Total liabilities</i>	<u>426,691</u>	<u>565</u>	<u>715</u>	<u>13,655</u>	<u>441,626</u>
<i>Deferred inflows of resources</i>					
Unavailable revenue-property taxes	8,332	-	-	-	8,332
<i>Total deferred inflows of resources</i>	<u>8,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,332</u>
<i>Fund Balances</i>					
Fund Balance					
Restricted for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	9,202	32,663	265,006	306,871
Capital Projects Funds	-	-	-	100	100
Debt Service Funds	-	-	-	22,847	22,847
Committed for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Assigned for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unassigned for:					
General Fund	200,408	-	-	(3,052)	197,356
<i>Total fund balances</i>	<u>200,408</u>	<u>9,202</u>	<u>32,663</u>	<u>284,901</u>	<u>527,174</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 635,431</u>	<u>\$ 9,767</u>	<u>\$ 33,378</u>	<u>\$ 298,556</u>	<u>\$ 977,132</u>

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STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
RECONCILIATION OF BALANCE SHEET-GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2016

Exhibit B-1  
Page 2 of 2

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

Fund balances - total governmental funds	\$ 527,174
------------------------------------------	------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,762,037
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Long-term liabilities, including notes payable, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds	<u>(463,033)</u>
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Net position of governmental activities	<u><u>\$ 4,826,178</u></u>
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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
For the Year Ending June 30, 2016

	General Fund	Fire Protection Fund	Senior Citizen Fund	Other Governmental Funds	Total
<i>Revenues:</i>					
Taxes					
Gross receipts taxes	\$ 181,767	\$ -	\$ -	\$ 53,735	\$ 235,502
Property taxes	36,285	-	-	-	36,285
Lodgers' tax	-	-	-	-	-
Gasoline tax	-	-	-	-	-
Franchise tax	17,955	6,000	-	-	23,955
State Grant Income	4,870	81,746	105,207	303,160	494,983
Charges for Services	97,500	-	-	39,419	136,919
Licenses and Fees	7,828	-	-	576	8,404
Investment Income (Loss)	1,519	68	-	164	1,751
Miscellaneous	4,057	100	-	12,503	16,660
	<u>351,781</u>	<u>87,914</u>	<u>105,207</u>	<u>409,557</u>	<u>954,459</u>
<i>Expenditures:</i>					
Current:					
General Government	352,111	-	-	19,195	371,306
Public Safety	-	101,046	-	42,836	143,882
Public Works	-	-	-	321,489	321,489
Culture and Recreation	-	-	95,227	15,711	110,938
Health and Welfare	-	-	-	28,481	28,481
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	13,442	13,442
Interest	-	-	-	-	-
	<u>352,111</u>	<u>101,046</u>	<u>95,227</u>	<u>441,154</u>	<u>989,538</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(330)</u>	<u>(13,132)</u>	<u>9,980</u>	<u>(31,597)</u>	<u>(35,079)</u>
<i>Other financing sources (uses)</i>					
Transfers (Out)	(12,550)	-	12,550	-	-
Transfers In	22,075	-	-	14,223	36,298
<i>Total other financing sources (uses)</i>	<u>9,525</u>	<u>-</u>	<u>12,550</u>	<u>14,223</u>	<u>36,298</u>
<i>Net change in fund balance</i>	9,195	(13,132)	22,530	(17,374)	1,219
<i>Fund balance - beginning of year</i>	<u>191,213</u>	<u>22,334</u>	<u>10,133</u>	<u>302,275</u>	<u>525,955</u>
<i>Fund balance - end of year</i>	<u>\$ 200,408</u>	<u>\$ 9,202</u>	<u>\$ 32,663</u>	<u>\$ 284,901</u>	<u>\$ 527,174</u>

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STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ending June 30, 2016

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

Net change in fund balances - total governmental funds	\$	1,219
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital expenditures		322,744
Depreciation expense		(276,946)
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Change in Deferred inflows/outflows of Net Pension Liability		9,927
Decrease in accrued interest		746
Principal payments on notes payable		33,159
Increase in accrued compensated absences		(301)
		(301)
Change in net position of governmental activities	\$	90,548

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 186,963	\$ 183,963	\$ 233,169	\$ 49,206
State Grant Income	-	-	3,702	3,702
Charges For Services	97,500	97,500	97,500	-
Licenses and Fees	9,015	9,015	7,695	(1,320)
Interest Income	850	850	1,519	669
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	4,057	4,057
<i>Total revenues</i>	294,328	291,328	347,642	56,314
<i>Expenditures:</i>				
Current:				
General Government	362,514	362,514	357,299	5,215
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	362,514	362,514	357,299	5,215
<i>Excess (deficiency) of revenues over expenditures</i>	(68,186)	(71,186)	(9,657)	61,529
<i>Other financing sources (uses)</i>				
Designated Cash	80,736	83,736	-	(83,736)
Transfers In	(12,550)	(12,550)	22,075	34,625
Transfers Out	(22,075)	(22,075)	(12,550)	9,525
<i>Total other financing sources (uses)</i>	46,111	49,111	9,525	(39,586)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	(22,075)	(22,075)	(132)	21,943
<i>Cash Balance - Beginning of Year</i>	-	-	175,071	175,071
<i>Cash Balance - End of Year</i>	\$ (22,075)	\$ (22,075)	\$ 174,939	\$ 197,014
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(3,936)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			13,263	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 9,195	

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**FIRE PROTECTION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 6,000	\$ 6,000
State Grant Income	57,130	57,400	81,746	24,346
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	68	68
Miscellaneous	30,516	30,516	100	(30,416)
<i>Total revenues</i>	<u>87,646</u>	<u>87,916</u>	<u>87,914</u>	<u>(2)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	105,739	105,739	102,512	3,227
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>105,739</u>	<u>105,739</u>	<u>102,512</u>	<u>3,227</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(18,093)</u>	<u>(17,823)</u>	<u>(14,598)</u>	<u>3,225</u>
<i>Other financing sources (uses)</i>				
Designated Cash	18,093	17,823	-	(17,823)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>18,093</u>	<u>17,823</u>	<u>-</u>	<u>(17,823)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(14,598)	(14,598)
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>24,365</u>	<u>24,365</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,767</u>	<u>\$ 9,767</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>1,466</u>	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ (13,132)</u>	

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SENIOR CITIZEN'S CENTER SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	118,193	118,357	105,807	(12,550)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	118,193	118,357	105,807	(12,550)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	133,583	125,135	95,428	29,707
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	133,583	125,135	95,428	29,707
<i>Excess (deficiency) of revenues over expenditures</i>	(15,390)	(6,778)	10,379	17,157
<i>Other financing sources (uses)</i>				
Designated Cash	15,390	6,778	-	(6,778)
Transfers (In) Out	-	-	12,550	12,550
<i>Total other financing sources (uses)</i>	15,390	6,778	12,550	5,772
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	22,929	22,929
<i>Cash Balance - Beginning of Year</i>	-	-	6,513	6,513
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 29,442	\$ 29,442
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(600)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			201	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 22,530	

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2016

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from Pooled Cash	156,803	25,057	181,860
Investments	74,390	13,513	87,903
Accounts receivable, net of allowance	21,437	23,244	44,681
	<u>252,630</u>	<u>61,814</u>	<u>314,444</u>
Noncurrent Assets			
Capital assets	1,862,140	58,916	1,921,056
Less: accumulated depreciation	(1,051,593)	(4,510)	(1,056,103)
	<u>810,547</u>	<u>54,406</u>	<u>864,953</u>
Total Assets	<u>\$ 1,063,177</u>	<u>\$ 116,220</u>	<u>\$ 1,179,397</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 4,904	\$ 2,252	\$ 7,156
Due to Pooled Cash	3,907	-	3,907
Accrued salaries and benefits	406	-	406
Current Portion Lease Payable	8,568	8,568	17,136
	<u>17,785</u>	<u>10,820</u>	<u>28,605</u>
Noncurrent Liabilities			
Deposits Payable	14,244	-	14,244
Lease Payable	33,717	33,717	67,434
Accrued Compensated Absences	11,305	-	11,305
	<u>59,266</u>	<u>33,717</u>	<u>92,983</u>
Total Liabilities	<u>77,051</u>	<u>44,537</u>	<u>121,588</u>
<b>Net Position</b>			
Net Investment in Capital Assets	776,830	20,689	797,519
Unrestricted	209,296	50,994	260,290
	<u>986,126</u>	<u>71,683</u>	<u>1,057,809</u>
Total Net Position	<u>\$ 986,126</u>	<u>\$ 71,683</u>	<u>\$ 1,057,809</u>
Total Net Position and Liabilities	<u>\$ 1,063,177</u>	<u>\$ 116,220</u>	<u>\$ 1,179,397</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2016

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<i>Operating revenues:</i>			
Charges for services	\$ 186,519	\$ 118,795	\$ 305,314
<i>Total operating revenues</i>	<u>186,519</u>	<u>118,795</u>	<u>305,314</u>
<i>Operating expenses:</i>			
Operating Expenses	61,899	15,011	76,910
Travel	20	553	573
Depreciation	41,098	4,510	45,608
Contract Services	7,588	72,395	79,983
Salaries	57,697	26,841	84,538
Supplies	<u>6,644</u>	<u>610</u>	<u>7,254</u>
<i>Total operating expenses</i>	<u>174,946</u>	<u>119,920</u>	<u>294,866</u>
<i>Operating income (loss)</i>	<u>11,573</u>	<u>(1,125)</u>	<u>10,448</u>
<i>Non-operating revenues (expenses):</i>			
Interest Income	<u>176</u>	<u>37</u>	<u>213</u>
<i>Total non-operating revenues (expenses)</i>	<u>176</u>	<u>37</u>	<u>213</u>
<i>Income (loss) before transfers</i>	11,749	(1,088)	10,661
Transfers	<u>(36,298)</u>	<u>-</u>	<u>(36,298)</u>
<i>Change in net position</i>	(24,549)	(1,088)	(25,637)
<i>Net position, beginning of year</i>	<u>1,010,675</u>	<u>72,771</u>	<u>1,083,446</u>
<i>Net Position, end of year</i>	<u>\$ 986,126</u>	<u>\$ 71,683</u>	<u>\$ 1,057,809</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS**  
For the Year Ended June 30, 2016

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 186,519	\$ 118,795	\$ 305,314
Cash payments to employees for services	(57,697)	(26,841)	(84,538)
Cash payments to suppliers for goods and services	(169,966)	(83,944)	(253,910)
<i>Net cash provided by operating activities</i>	<u>(41,144)</u>	<u>8,010</u>	<u>(33,134)</u>
<i>Cash flows from capital and related financing activities:</i>			
Acquisition of capital assets	51,874	(72,796)	(20,922)
Proceeds from loan	43,169	43,169	86,338
Principal paid on debt	(5,274)	(5,274)	(10,548)
Transfers from other funds	(36,298)	-	(36,298)
Interest paid on debt	(82)	-	(82)
<i>Net cash used by financing activities:</i>	<u>53,389</u>	<u>(34,901)</u>	<u>18,488</u>
<i>Cash flows from capital and related investing activities:</i>			
Interest earned	176	37	213
Net cash used by investing activities:	<u>176</u>	<u>37</u>	<u>213</u>
<i>Net decrease in cash and cash equivalents</i>	12,421	(26,854)	(14,433)
<i>Cash and cash equivalents - beginning of year</i>	<u>214,865</u>	<u>65,424</u>	<u>280,289</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 227,286</u>	<u>\$ 38,570</u>	<u>\$ 265,856</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	\$ 11,573	\$ (1,125)	\$ 10,448
Adjustments to reconcile operating (loss) to net cash (used) by operating activities			
Depreciation	(41,098)	(4,510)	(45,608)
Changes in assets and liabilities			
Receivables	(6,655)	14,373	7,718
Inventory	-	-	-
Accrued expenses	(1,525)	-	(1,525)
Accounts payable	(3,439)	(728)	(4,167)
Loans payable	-	-	-
Accrued compensated absences	-	-	-
<i>Net cash (used) by operating activities</i>	<u>\$ (41,144)</u>	<u>\$ 8,010</u>	<u>\$ (33,134)</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies**

The Village of Eagle Nest (“Village”) was incorporated in 1976, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer services, refuse collection, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The Village of Eagle Nest is a body politic and corporate under the name and form of government selected by its qualified electors. The Village may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the 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 Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the Village’s accounting policies are described below.

**A. Financial Reporting Entity**

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB statements No. 61. Blended component units are in substance, although legally separate entities, are part of the government’s operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion 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. 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. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village has no component units, and is not a component unit of another governmental agency.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1.**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary 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 revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement no. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 and fiduciary 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1.**

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

Governmental funds are used to account for the Village's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund, Municipal Streets Fund, and Capital Project Funds. No other funds were required to be presented as major at the discretion of management.

*General Fund* – 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. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

*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. Authority by State Statute Chapter 178, Laws of 1978. No minimum balance required according to legislation.

*Senior Citizen's Fund* - to account for program income and expenditures related to the Senior Citizen's program. Authority is Village ordinance and DHHS 45 CFR Part 92. No minimum balance required according to legislation.

The *Joint Utility Fund* (Enterprise Fund) accounts for charges from the delivery of water and sewer utility services to the Village and the corresponding costs of delivering those services.

The *Solid Waste Fund* (Enterprise Fund) accounts for activities of solid waste utility service to the Village and the corresponding costs of delivering those services.

Additionally, the government reports the following fund types:

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The Village has no fiduciary funds.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1. C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

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 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 revenues are reported instead as *general revenues*.

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for services for the Village's water & sewer utilities. Operating expenses for enterprise funds include the cost of 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 the restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Position or Equity**

**Deposits and Investments:** The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the Village are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1. D. Assets, Liabilities, and Net Position or Equity (continued)**

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) 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. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Land Improvements	20
Vehicles	6
Computer Equipment	5
Other Furniture and Equipment	5-20

**Unearned Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as Unearned Revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

**Deferred Inflow/Outflows of Resources:** GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period. Property taxes levied but not received are recorded as deferred inflows of resources unless the amount is undetermined.

**Compensated Absences:** Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 240 hours of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for all days of accrued annual leave. Qualified employees are entitled to accumulate sick leave up to 120 hours at a rate of twelve days per year. Sick leave can be carried over from year to year. Upon termination employees receive pay for sick time accumulated up to 120 hours.

All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of an employee retirements or terminations.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**Net Position or Fund Equity:**

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Net investment in capital assets consists of net position including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

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

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Tax Revenues:** The Village receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and May 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Village recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Village records only the portion of the taxes considered 'measureable' and 'available' in the governmental fund financial statements. Descriptions of the individual general, debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

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



**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 2. Stewardship, Compliance, and Accountability**

*Budgetary Information*

Annual budgets of the Village are prepared prior to June 1 and must be approved by Village Council resolution, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Village Council and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of the funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The Village is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The Village Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented as part of the budgetary statements.

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2016.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The Village of Eagle Nest has an interest bearing account.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 3. Deposits and Investments (continued)**

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Village's deposits.

	International Bank	Bank of America	First National Bank
Checking, Interest Bearing	\$ 647,534	\$ 5,098	\$ 4,624
Total Deposits	647,534	5,097	4,624
Less: FDIC Coverage	250,000	-	-
Total uninsured public funds	397,534	5,097	4,624
50% Collateral requirement	198,767	-	-
Pledged Securities	325,462	-	-
(Over)Under collateralized	\$ (126,695)	\$ -	\$ -

**Custodial Credit Risk-Deposits**

Account Balance	\$ 657,255
FDIC Insured	250,000
Pledged Collateral:	
Collateral held by the pledging bank, not in the Village's name	325,462
Uninsured and uncollateralized	81,793
Total Deposits	<u>\$ 657,255</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$81,793 of the Village's bank balance of \$657,255 was exposed to custodial credit risk.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

**Reconciliation of Cash and Temporary Investments**

Carrying amounts by fund per financial statement at June 30, 2016 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit B-1	\$691,830
Cash and cash equivalents per Exhibit D-1	87,903
Add outstanding deposits and checks	48,270
Less State Treasurers LGIP reflected in investments	(170,748)
Total	<u>\$ 657,255</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3. Deposits and Investments (continued)**

*Custodial Credit Risk – Investments.* For an investment, custodial credit risk is the risk that in the event of counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does not have an investment policy for custodial credit risk. The Village’s investments are in certificates of deposits and investment in the State Treasurer’s Local Government Investment Pool (LGIP). The LGIP is not subject to custodial credit risk and the custodial credit risk for the certificates of deposits is contemplated in *custodial risk – cash*.

*Interest Rate Risk and Credit Rating- Investment in State Treasurer’s LGIP*

The Village does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The Village’s investments at June 30, 2016 include the following:

State Treasurer LGIP	AAAm	44-day WAM(R)	<u>\$ 170,748</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. 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 funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares; 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 of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distributed dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2016. Participation in the Local Government Investment Pool is voluntary.

NM State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least 102% of the amount on deposit with the institution. There are no repurchase agreements for the year ended June 30, 2016.

The Village utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Proprietary are all in multiple accounts.

**STATE OF NEW MEXICO**  
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**NOTE 4. Receivables**

Receivables as of June 30, 2016, are as follows:

	General Fund	Water System Improvement 14- 1609 Fund	Senior Citizen Fund	Total
Property Taxes Receivables	\$ 8,332	\$ -	\$ -	\$ 8,332
Due from other governments:	-	-	-	-
Other accounts receivable	23,399	5,866	3,936	33,201
	<u>\$ 31,731</u>	<u>\$ 5,866</u>	<u>\$ 3,936</u>	<u>\$ 41,533</u>

	<u>Joint Utility</u>	<u>Solid Waste</u>
Accounts receivable, net of allowance of \$0	<u>\$ 21,437</u>	<u>\$ 23,244</u>
Total	<u>\$ 21,437</u>	<u>\$ 23,244</u>

The above receivables are deemed 100% collectible. In accordance with GASB No.33, property tax receivables are presented net of unearned revenue in the governmental balance sheet. In accordance with GASB No.65, Deferred inflows of resources accounts for delinquent property taxes that are due to the Village but that have not been remitted to the Village. The deferred inflows of resources totaling \$8,332, is presented in the general fund.

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**NOTE 5. 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 Village Council authorizes transfers between funds to cover the expenditures in the receiving funds. Interfund balances are due within one year. Transfers are a result of the Village transferring money from the general fund and the Water Fund to cover expenditures in other funds.

<b>Due from other funds</b>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$ 421,722
Local Correction	5,476	-
EMS Fund	8,690	-
Infrastructure/Impact Fee Fund	-	3,907
Library Fund	15,554	-
Lodgers' Tax	9,783	-
Municipal Street	69,206	-
Recreation Fund	343	-
Water Rights Fund	2,649	-
Senior Citizen's	29,442	-
Ambulance Replacement	33,524	-
Public Works Vehicle Replacement	11	-
Debt Service Reserve	30,000	-
Debt Replacement Fund	13,444	-
Aquaponics	1,858	-
Debt Service	22,847	-
Recycle Fund	942	-
Joint Utility – Proprietary Fund	156,803	-
Solid Waste – Proprietary Fund	25,057	-
<b>Total</b>	<b>\$ <u>425,629</u></b>	<b>\$ <u>425,629</u></b>

<b>Transfers</b>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 22,075	\$ 12,550
Senior Citizen's	12,550	-
Debt Service Fund	14,223	-
Joint Utility – Proprietary Fund	-	59,065
Joint Utility – Emergency Fund	22,767	-
<b>Total</b>	<b>\$ <u>71,615</u></b>	<b>\$ <u>71,615</u></b>

**STATE OF NEW MEXICO**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6. Accounts Payables**

Accounts payable as of June 30, 2016, are as follows:

Payable to suppliers	\$ 15,358
Accrued salaries and taxes	<u>4,546</u>
 Total accounts payable and accrued expenses	 <u><u>\$ 19,904</u></u>

**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows.

<b>Governmental Activities</b>	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 363,906	\$ -	\$ -	\$ 363,906
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>363,906</u>	<u>-</u>	<u>-</u>	<u>363,906</u>
 Capital assets being depreciated:				
Infrastructure	6,276,657	284,475	-	6,561,132
Buildings & Improvements	1,642,813	-	-	1,642,813
Equipment and vehicles	<u>1,365,145</u>	<u>38,269</u>	<u>-</u>	<u>1,403,414</u>
Total capital assets being depreciated	<u>9,284,615</u>	<u>322,744</u>	<u>-</u>	<u>9,607,359</u>
Total Capital Assets	<u>9,648,521</u>	<u>322,744</u>	<u>-</u>	<u>9,648,521</u>
 Less accumulated depreciation:				
Infrastructure	2,755,559	144,859	-	2,900,418
Buildings & Improvements	1,076,857	44,954	-	1,121,811
Equipment and vehicles	<u>1,099,866</u>	<u>87,133</u>	<u>-</u>	<u>1,186,999</u>
Total Accumulated Depreciation	<u>4,932,282</u>	<u>276,946</u>	<u>-</u>	<u>5,209,228</u>
Total capital assets net of depreciation	<u>\$ 4,716,239</u>	<u>45,798</u>	<u>-</u>	<u>4,762,037</u>

Capital assets, net of accumulated depreciation, at June 30, 2016 appear in the Statement of Net Position as follows:

Governmental activities	\$ 4,762,037
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Depreciation expense for the year ended June 30, 2016 was charged to the following functions and funds:

General Government	\$ 20,229
Public Safety	108,570
Public Works	146,085
Culture and Recreation	-
Health and Welfare	<u>2,062</u>
Total depreciation expense governmental funds	<u>\$ 276,946</u>

**STATE OF NEW MEXICO**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7. Capital Assets (continued)**

<b>Business-Like Activities</b>	June 30, 2015	Additions	Deletions	June 30, 2016
Capital assets, not being depreciated				
Land	\$ 179,500	\$ -	\$ -	\$ 179,500
Total Capital assets, not being depreciated	179,500	-	-	179,500
Capital assets being depreciated:				
Building & Improvements	1,603,072	-	-	1,603,072
Equipment & Vehicles	20,652	117,832	-	138,484
Total Capital assets being depreciated	1,623,724	117,832	-	1,921,056
Total Capital Assets	1,803,224	117,832	-	1,921,056
Less accumulated depreciation:				
Building & Improvements	989,843	36,588	-	1,026,431
Equipment & Vehicles	20,652	9,020	-	29,672
Total Accumulated Depreciation	1,010,495	45,608	-	1,056,103
Total capital assets net of depreciation	<u>\$ 792,729</u>	<u>\$ 72,224</u>	<u>\$ -</u>	<u>\$ 864,953</u>

Depreciation expense relating to business-like activities for the year ended June 30, 2016 totaled \$45,608.

**NOTE 8. Long-term Debt**

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

<b>Governmental Activities</b>	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Loans	\$ 301,457	\$ 87,082	\$ 33,159	\$ 268,298	\$ 34,176
Compensated Absences	15,772	6,658	6,357	16,073	-
Total Long-Term Debt	<u>\$ 317,229</u>	<u>\$ 12,678</u>	<u>\$ 50,409</u>	<u>\$ 317,229</u>	<u>\$ 34,176</u>

In prior years, the General Fund has typically liquidated the compensated absences.

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**NOTE 8. Long-term Debt (continued)**  
**Business-type Activities:**

Description	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Capital Lease Payable-Caterpillar	\$ -	\$ 87,082	\$ 2,512	\$ 84,570	\$ 17,136
Compensated Absences	10,421	3,658	2,774	11,305	-
<b>Total</b>	<b>\$ 10,421</b>	<b>\$ 90,740</b>	<b>\$ 5,286</b>	<b>\$ 95,875</b>	<b>\$ 17,136</b>

The annual requirements to amortize the 2008 loan payable-NMFA as of June 30, 2016, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2017	\$ 22,928	\$ 1,553	\$ 24,481
2018	23,726	793	24,519
<b>Total</b>	<b>\$ 46,654</b>	<b>\$ 2,346</b>	<b>\$ 49,000</b>

The annual requirements to amortize the NMED ARRA loan as of June 30, 2016, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2017	\$ 8,376	\$ 4,330	\$ 12,706
2018	8,628	4,115	12,743
2019	8,887	3,894	12,781
2020	9,153	3,666	12,819
2021	9,428	3,431	12,859
2022-2026	51,555	13,381	64,936
2027-2031	59,766	6,362	66,128
2032	13,050	335	13,385
<b>Total</b>	<b>\$ 168,842</b>	<b>\$ 39,514</b>	<b>\$ 208,357</b>

The annual requirements to amortize the NMFA Water Project Fund as of June 30, 2016, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2017	\$ 2,872	132	\$ 3,004
2018	2,879	125	3,004
2019	2,886	118	3,004
2020	2,893	110	3,003
2021	2,900	103	3,003
2022-2026	13,801	408	14,209
2027-2031	14,795	223	15,018
2032-2034	8,966	45	9,011
<b>Total</b>	<b>\$ 51,992</b>	<b>\$ 1,264</b>	<b>\$ 53,256</b>

The annual requirements to amortize the Caterpillar-Lease as of June 30, 2016, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2017	\$ 17,136	\$ 5,828	\$ 22,964
2018	17,136	5,828	22,964
2019	17,136	5,828	22,964
2020	17,136	5,828	22,964
2021	16,026	5,080	21,106
<b>Total</b>	<b>\$ 84,570</b>	<b>\$ 28,392</b>	<b>\$ 112,962</b>



**STATE OF NEW MEXICO**  
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**NOTE 9. 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 and natural disasters. The Village of Eagle Nest participates in the New Mexico Self-Insurer's Fund risk pool. The Village pays an annual premium to the pool based on claim experience and the status of the pool. The Village is not liable for more than the premium paid.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2016, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance.

New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Water System Improvement 14-1609	\$3,052
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Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11. PERA Pension Plans**

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

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

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the Village are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf). The PERA coverage options that apply to Village is: the General Division. Statutorily required contributions to the pension plan from the Village were \$18,815 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2016.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

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**NOTE 11. PERA Pension Plans (continued)**

For PERA Fund Division – General Division, at June 30, 2016, the Village reported a liability of \$190,663 for its proportionate share of the net pension liability. At June 30, 2015, the Village’s proportion was 0.0185 percent, which was unchanged from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the Village recognized PERA Fund Division – General Division pension expense of \$7,665. At June 30, 2016, the Village reported PERA Fund Division – General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,223
Changes of assumptions	-	74
Net difference between projected and actual earnings on pension plan investments	-	603
Changes in proportion and differences between the Village contributions and proportionate share of contributions	-	-
Village contributions subsequent to the measurement date	18,815	-
Total	\$ 18,815	\$ 4,900

\$18,815 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	(5,050)
2018		(5,050)
2019		(5,050)
2020		10,249
2021		-
Thereafter	\$	-

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment of rate of return	7.75% annual rate, net of investment expense
• Projected benefit payment	100 years
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate
• Mortality Assumption	RP-2000 Mortality tables (Combined table for healthy post retirements, Employee Table for active members, and disable table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
• Experience Study Dates	July 1, 2008 to June 30, 2013

**STATE OF NEW MEXICO**  
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**NOTE 11. PERA Pension Plans (continued)**

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

ALL FUNDS – Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	<u>4.0</u>	4.15
Total	100.0%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

PERA Fund Division – General Divison	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Village’s proportionate share of the net pension liability	\$ 324,623	\$ 190,663	\$ 79,284

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** At June 30, 2016, the Village had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2016.

**STATE OF NEW MEXICO**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12. Post-Employment Benefits**

The Retiree Health Care Act 10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons 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 for the current year.

**NOTE 13. Contingent Liabilities**

The Village is party to various claims and lawsuits arising in the normal course of business. Management and the Village's attorney are unaware of any material pending or threatened litigation, claims or assessments against the Village which are not covered by the Village's insurance as described in Note 9.

**NOTE 14. Federal and State Grants**

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**NOTE 15. Joint Powers Agreements**

Law Enforcement Services

*Purpose:* The Village entered into an agreement with the Colfax County for law enforcement services provided by the Colfax County Sheriff. Using grant funds, the Village will purchase qualified law enforcement property and equipment and dedicate and maintain them 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 period.

*Participants:* Colfax County and Village of Eagle Nest

*Responsible Party for Operation and Audit:* Village of Eagle Nest

*Beginning and Ending Date of Agreement:* Effective June 30, 2015 and is subject to the obtainment and receipt by the Village of LEP funds.

*Total Estimated Amount of Project and Actual Amount Contributed:* None

Energy Minerals and Natural Resources Department (EMNRD)

*Purpose:* An agreement between EMNRD and the Village for cooperation and participation in the wildland fire protection and suppression of any wildland fires.

*Participants:* EMNRD and Village of Eagle Nest

*Responsible Party for Operation and Audit:* EMNRD

*Beginning and Ending Date of Agreement:* Entered on April 15, 2008 and continues indefinitely

*Total Estimated Amount of Project and Actual Amount Contributed:* Unknown

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15. Joint Powers Agreements (continued)**

Taos Regional Landfill Board

*Purpose:* To establish, finance and operate the Taos Regional Landfill Facility.

*Participants:* County of Taos, Town of Taos, Village of Questa, Village of Red River, Village of Taos Ski Valley, and Village of Eagle Nest

*Responsible Party for Operation and Audit:* County of Taos

*Beginning and Ending Date of Agreement:* Effective June 19, 2001 and continue for fifty years.

*Total Estimated Amount of Project and Actual Amount Contributed:* None

Refuse Collection

*Purpose:* An agreement between the Village and Colfax County for the collection and disposal of refuse from real property located within the county boundaries.

*Participants:* Colfax County and Village of Eagle Nest

*Responsible Party for Operation and Audit:* Village of Eagle Nest

*Beginning and Ending Date of Agreement:* Effective December 18, 2001 and will continue from year to year unless a party notifies the other of its termination.

*Total Estimated Amount of Project and Actual Amount Contributed:* None

**NOTE 16. Related Party Transactions**

Two Village employees are married and are employed at the Senior Citizen's Center. The wife manages the day to day operations and the husband is a driver for the Center. The husband reports to the Chief Purchasing Officer/Senior Citizen's Center Director.

An employee who is a cook at the Senior Citizen's Center also sits on the Village's council.

**NOTE 17. Commitments**

The Village had the following commitments on contracts at June 30, 2016:

The Village entered into a contract Desert Street Sealing at year end.

**NOTE 18. Subsequent Review**

The Village of Eagle Nest has evaluated subsequent events through October 27, 2016, which is the date the financial statements were available for issuance.

**SUPPLEMENTARY INFORMATION**

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**NON-MAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
June 30, 2016

**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Village with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Local Corrections Fund** - to establish an additional source of funds to municipalities to offset the costs of corrections. The source of the fund is a five dollar fee, which must be paid by all persons violating the law relating to the operations of a motor vehicle. Authority is State Statute Chapter 35, section 14-11. No minimum balance required according to legislation.

**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. Authority by State Statute Chapter 178, Laws of 1978. No minimum balance required according to legislation.

**Emergency Medical Services (EMS) Fund** - to account for the acquisitions of the emergency medical equipment and the operation of the equipment financed through a grant from the State of New Mexico. Authority by State Statute 24-10A-1 to 24-10A-10. No minimum balance required according to legislation.

**Law Enforcement Protection Fund** - to account for grant funds used for maintenance and development of the Village's police force. Financing is provided by a grant from the State of New Mexico. Such revenue provides for purchase and repairs of equipment as well as classes to update the training of police personnel and may be used only for these purposes. Authority is NMSA 29-13-1. No minimum balance required according to legislation.

**Senior Citizen's Fund** - to account for program income and expenditures related to the Senior Citizen's program. Authority is Village ordinance and DHHS 45 CFR Part 92. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Lodgers' Tax Fund** - To account for a lodger's tax imposed and used for cultural and recreational purposes. Authority is NMSA 1978 Section 3-38-13. No minimum balance required according to legislation.

**Recreation Fund** - to account for the operation and maintenance of recreational facilities in the Village. Financing is provided by a specific annual cigarette tax levy. Authority NMSA 7-12-1 & 7-12-15. No minimum balance required according to legislation.

**Water Rights Fund** - to account for the fees charged for water rights and expenditures made to obtain water rights. Authority is Village Council Resolution 2004-13. No minimum balance required according to legislation.

**Activities Fund** - to account for revenues raised and expenditures of promotional activities of the Village. Authority is ordinance Resolution 76-6. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Recycle Fund** - to account for revenues raised and expenditures of the recycling activities of the Village. Authority is Ordinance Resolution 76-7. No minimum balance required according to legislation.

**Ambulance Replacement Fund** - to account for funds designated by the Village Council for ambulance replacement. Authority is Village council action June 12, 1984 Ordinance 73-12. No minimum balance required according to legislation.

**Public Works Vehicle Replacement Fund** - to account for funds designated by village council for the purchase of vehicles for public works projects. Authority is Village Council Resolution 93-14. No minimum balance required according to legislation.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
June 30, 2016

**SPECIAL REVENUE FUNDS**

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

**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 loan agreement with the New Mexico Environment Department, Loan Number ARRA CWSRF 05. No minimum balance required according to legislation.

**All funds are on a reimbursement basis, therefore there are no reverting fund requirements.**

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
June 30, 2016

**CAPITAL PROJECT FUNDS**

**CDBG Fund (307)** - to account for receipts under the Community Development Block Grant and expenditures related to the grant. Authority is federal grant under Title 1 of the Housing and Community Development Act of 1974.

**Park Replacement Fund (302)** - 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 NMSA 1978, sections 9-6-5 and 9-6-5.1.

**WTR System Improvement 13-1440-STB (326)** – 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. Authority by Laws of 2013, Chapter 226, Section 23, Paragraph 8.

**DEBT SERVICE FUNDS**

**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 loan agreement with the New Mexico Environment Department, Loan Number ARRA CWSRF 05.

**PROPRIETARY MAJOR FUNDS**

**Joint Utility Fund**

To account for the activities of the Village's water and sewer operations.

**Solid Waste Fund**

To account for the activities of the Village's solid waste operations.

STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

	Local Corrections Fund	Emergency Medical Services Fund	Law Enforcement Protection Fund	Library Fund
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from Pooled Cash	5,476	8,690	-	11,524
Investments	4,483	8,517	1	332
Other receivables	-	-	-	-
Prepaid Deposits	-	-	-	-
<i>Total assets</i>	<u>\$ 9,959</u>	<u>\$ 17,207</u>	<u>\$ 1</u>	<u>\$ 11,856</u>
<i>Liabilities</i>				
Due to Pooled Cash	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	85	-	157
Accrued salaries and benefits	-	-	-	-
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>85</u>	<u>-</u>	<u>157</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	9,959	17,122	1	11,699
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	-	-	-	-
<i>Total fund balances</i>	<u>9,959</u>	<u>17,122</u>	<u>1</u>	<u>11,699</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,959</u>	<u>\$ 17,207</u>	<u>\$ 1</u>	<u>\$ 11,856</u>

STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

Schedule A-1  
1 of 3

<u>Lodgers' Tax Fund</u>	<u>Municipal Street Fund</u>	<u>Recreation Fund</u>	<u>Water Rights Fund</u>	<u>Activities Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,714
13,813	69,206	343	2,649	-
2,028	37,584	462	571	3,421
-	-	-	-	-
-	-	-	-	-
<u>\$ 15,841</u>	<u>\$ 106,790</u>	<u>\$ 805</u>	<u>\$ 3,220</u>	<u>\$ 7,135</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	4,495	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>4,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
15,841	102,295	805	3,220	7,135
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>15,841</u>	<u>102,295</u>	<u>805</u>	<u>3,220</u>	<u>7,135</u>
<u>\$ 15,841</u>	<u>\$ 106,790</u>	<u>\$ 805</u>	<u>\$ 3,220</u>	<u>\$ 7,135</u>

STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

Schedule A-1  
2 of 3

	Beautification Fund	Enchanted Eagle Park Fund	Aquaponics Fund	Recycle Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 992	\$ 3,631	\$ -	\$ -
Due from Pooled Cash	-	-	1,858	942
Investments	-	-	-	12,382
Other receivables	-	-	-	-
Prepaid Deposits	-	-	-	-
<i>Total assets</i>	<u>\$ 992</u>	<u>\$ 3,631</u>	<u>\$ 1,858</u>	<u>\$ 13,324</u>
<i>Liabilities</i>				
Due to Pooled Cash	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	992	3,631	1,858	13,324
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	-	-	-	-
<i>Total fund balances</i>	<u>992</u>	<u>3,631</u>	<u>1,858</u>	<u>13,324</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 992</u>	<u>\$ 3,631</u>	<u>\$ 1,858</u>	<u>\$ 13,324</u>



STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

Schedule A-1  
2 of 3

Ambulance Replacement Fund	PW Vehicle Replacement Fund	Park Replacement Fund	CDBG Fund	WTR System Improvement 14- 1609
\$ -	\$ -	\$ -	\$ 100	\$ -
33,524	11	-	-	-
144	1	-	-	-
-	-	-	-	5,866
-	-	-	-	-
<u>\$ 33,668</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 5,866</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	8,918
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,918</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
33,668	12	-	-	-
-	-	-	100	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,052)</u>
<u>33,668</u>	<u>12</u>	<u>-</u>	<u>100</u>	<u>(3,052)</u>
<u>\$ 33,668</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 5,866</u>

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STATE OF NEW MEXICO  
VILLAGE OF EAGLE NEST  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016

Schedule A-1  
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	Deep Tunnel/Tomboy MAP 7607	Debt Service Reserve	Debt Replacement Reserve	Debt Service Fund	Total Nonmajor Governmental Funds
<i>Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 8,437
Due from Pooled Cash	-	13,444	30,000	22,847	214,327
Investments	-	-	-	-	69,926
Other receivables	-	-	-	-	5,866
Prepaid Deposits	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>	<u>\$ 22,847</u>	<u>\$ 298,556</u>
<i>Liabilities</i>					
Due to Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	13,655
Accrued salaries and benefits	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,655</u>
<i>Deferred inflows of resources</i>					
Unavailable revenue-property taxes	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>					
Fund Balance					
Restricted for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	13,444	30,000	-	265,006
Capital Projects Funds	-	-	-	-	100
Debt Service Funds	-	-	-	22,847	22,847
Committed for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Assigned for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Unassigned for:					
General Fund	-	-	-	-	(3,052)
<i>Total fund balances</i>	<u>-</u>	<u>13,444</u>	<u>30,000</u>	<u>22,847</u>	<u>284,901</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>	<u>\$ 22,847</u>	<u>\$ 298,556</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2016**

	Local Corrections Fund	Emergency Medical Services Fund	Law Enforcement Protection Fund	Library Fund
<i>Revenues:</i>				
Taxes				
Gross receipts taxes	\$ -	\$ 15,000	\$ -	\$ -
State Grant Income	-	-	20,000	599
Charges for Services	420	-	-	8,811
Licenses and Fees	-	500	-	76
Investment Income (Loss)	11	19	-	-
Miscellaneous	-	10,684	-	-
<i>Total revenues</i>	<u>431</u>	<u>26,203</u>	<u>20,000</u>	<u>9,486</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	42,836	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	8,564
Health and Welfare	-	28,481	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,481</u>	<u>42,836</u>	<u>8,564</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>431</u>	<u>(2,278)</u>	<u>(22,836)</u>	<u>922</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	431	(2,278)	(22,836)	922
<i>Fund balances - beginning of year</i>	<u>9,528</u>	<u>19,400</u>	<u>22,837</u>	<u>10,777</u>
<i>Fund balances - end of year</i>	<u>\$ 9,959</u>	<u>\$ 17,122</u>	<u>\$ 1</u>	<u>\$ 11,699</u>

<u>Lodgers' Tax Fund</u>	<u>Municipal Streets Fund</u>	<u>Recreation Fund</u>	<u>Water Rights Fund</u>	<u>Activities Fund</u>
\$ -	\$ 38,735	\$ -	\$ -	\$ -
-	-	-	-	-
26,815	-	1	-	-
-	-	-	-	-
5	89	-	3	8
-	469	-	-	1,350
<u>26,820</u>	<u>39,293</u>	<u>1</u>	<u>3</u>	<u>1,358</u>
19,195	-	-	-	-
-	-	-	-	-
-	40,475	-	0	-
-	-	174	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>19,195</u>	<u>40,475</u>	<u>174</u>	<u>-</u>	<u>-</u>
7,625	(1,182)	(173)	3	1,358
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
7,625	(1,182)	(173)	3	1,358
<u>8,216</u>	<u>103,477</u>	<u>978</u>	<u>3,217</u>	<u>5,777</u>
<u>\$ 15,841</u>	<u>\$ 102,295</u>	<u>\$ 805</u>	<u>\$ 3,220</u>	<u>\$ 7,135</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2016**

	Beautification Fund	Enchanted Eagle Park Fund	Aquaponics Fund	Recycle Fund
<i>Revenues:</i>				
Taxes				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges for Services	-	1,095	1,050	1,227
Licenses and Fees	-	-	-	-
Investment Income (Loss)	-	-	-	29
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,095</u>	<u>1,050</u>	<u>1,256</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	1,127	255	992
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,127</u>	<u>255</u>	<u>992</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(32)</u>	<u>795</u>	<u>264</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	(32)	795	264
<i>Fund balances - beginning of year</i>	<u>992</u>	<u>3,663</u>	<u>1,063</u>	<u>13,060</u>
<i>Fund balances - end of year</i>	<u>\$ 992</u>	<u>\$ 3,631</u>	<u>\$ 1,858</u>	<u>\$ 13,324</u>

<u>Ambulance Replacement Fund</u>	<u>PW Vehicle Replacement Fund</u>	<u>Park Replacement Fund</u>	<u>CDBG Fund</u>	<u>WTR System Improvement 14- 1609</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,599	-	62,962
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>4,599</u>	<u>-</u>	<u>62,962</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	66,014
-	-	4,599	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>4,599</u>	<u>-</u>	<u>66,014</u>
-	-	-	-	(3,052)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	(3,052)
<u>33,668</u>	<u>12</u>	<u>-</u>	<u>100</u>	<u>-</u>
<u>\$ 33,668</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (3,052)</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2016**

	Deep Tunnel/Tomboy MAP 7607	Debt Service Reserve	Debt Replacement Reserve	Debt Service Fund	Total Nonmajor Governmental Funds
<i>Revenues:</i>					
Taxes					
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -	\$ 53,735
State Grant Income	215,000	-	-	-	303,160
Charges for Services	-	-	-	-	39,419
Licenses and Fees	-	-	-	-	576
Investment Income (Loss)	-	-	-	-	164
Miscellaneous	-	-	-	-	12,503
<i>Total revenues</i>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,557</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General Government	-	-	-	-	19,195
Public Safety	-	-	-	-	42,836
Public Works	215,000	-	-	-	321,489
Culture and Recreation	-	-	-	-	15,711
Health and Welfare	-	-	-	-	28,481
Capital Outlay	-	-	-	-	-
<i>Debt Service:</i>					
Principal	-	-	-	13,442	13,442
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>13,442</u>	<u>441,154</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,442)</u>	<u>(31,597)</u>
<i>Other financing sources (uses)</i>					
Transfers In	-	-	-	14,223	14,223
Transfers Out	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,223</u>	<u>14,223</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781</u>	<u>(17,374)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>13,444</u>	<u>30,000</u>	<u>22,066</u>	<u>302,275</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 13,444</u>	<u>\$ 30,000</u>	<u>\$ 22,847</u>	<u>\$ 284,901</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**CORRECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	1,200	1,200	420	(780)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	75	75	11	(64)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,275	1,275	431	(844)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	1,200	1,200	-	1,200
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,200	1,200	-	1,200
<i>Excess (deficiency) of revenues over expenditures</i>	75	75	431	356
<i>Other financing sources (uses)</i>				
Designated Cash	75	75	-	75
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	75	75	-	75
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	150	150	431	431
<i>Cash Balance - Beginning of Year</i>	-	-	9,528	9,528
<i>Cash Balance - End of Year</i>	\$ 150	\$ 150	\$ 9,959	\$ 9,959
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 431	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 15,000	\$ 15,000
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	500	500
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	19	19
Miscellaneous	17,700	25,825	10,684	(15,141)
<i>Total revenues</i>	<u>17,700</u>	<u>25,825</u>	<u>26,203</u>	<u>378</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	17,334	35,214	28,396	6,818
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,334</u>	<u>35,214</u>	<u>28,396</u>	<u>6,818</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>366</u>	<u>(9,389)</u>	<u>(2,193)</u>	<u>7,196</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(366)	9,389	-	(9,389)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(366)</u>	<u>9,389</u>	<u>-</u>	<u>(9,389)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(2,193)	(2,193)
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>19,400</u>	<u>19,400</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,207</u>	<u>\$ 17,207</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(85)	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ (2,278)</u>	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	20,000	20,000	20,000	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	15	15	(4)	(19)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	20,015	20,015	19,996	(19)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	20,000	20,000	20,000	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	20,000	20,000	20,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	15	15	(4)	(19)
<i>Other financing sources (uses)</i>				
Designated Cash	15	15	-	15
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	15	15	-	15
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	30	30	(4)	(4)
<i>Cash Balance - Beginning of Year</i>	-	-	5	5
<i>Cash Balance - End of Year</i>	\$ 30	\$ 30	\$ 1	\$ 1
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(22,832)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (22,836)	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**LIBRARY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	599	599
Charges For Services	16,067	16,067	8,811	(7,256)
Licenses and Fees	-	-	76	76
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	16,067	16,067	9,486	(6,581)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	15,979	15,979	8,558	7,421
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	15,979	15,979	8,558	7,421
<i>Excess (deficiency) of revenues over expenditures</i>	88	88	928	840
<i>Other financing sources (uses)</i>				
Designated Cash	(88)	(88)	-	88
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(88)	(88)	-	88
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	928	928
<i>Cash Balance - Beginning of Year</i>	-	-	10,928	10,928
<i>Cash Balance - End of Year</i>	\$ -	\$ -	11,856	\$ 11,856
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(6)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 922	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**LODGERS' TAX SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	29,000	30,344	30,366	22
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	30	30	5	(25)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	29,030	30,374	30,371	(3)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	30,694	30,694	19,195	11,499
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	30,694	30,694	19,195	11,499
<i>Excess (deficiency) of revenues over expenditures</i>	(1,664)	(320)	11,176	11,496
<i>Other financing sources (uses)</i>				
Designated Cash	1,664	320	-	(320)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	1,664	320	-	(320)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	11,176	11,176
<i>Cash Balance - Beginning of Year</i>	-	-	4,665	4,665
<i>Cash Balance - End of Year</i>	\$ -	\$ -	15,841	\$ 15,841
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(3,551)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 7,625	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**MUNICIPAL STREETS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 41,035	\$ 41,035	\$ 39,600	\$ (1,435)
State Grant Income	30,000	30,000	-	(30,000)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	150	150	89	(61)
Miscellaneous	-	-	719	719
<i>Total revenues</i>	<u>71,185</u>	<u>71,185</u>	<u>40,408</u>	<u>(30,777)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	75,845	75,845	52,874	22,971
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,845</u>	<u>75,845</u>	<u>52,874</u>	<u>22,971</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,660)</u>	<u>(4,660)</u>	<u>(12,466)</u>	<u>(7,806)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	4,660	4,660	-	(4,660)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,660</u>	<u>4,660</u>	<u>-</u>	<u>(4,660)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(12,466)	(12,466)
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>119,256</u>	<u>119,256</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,790</u>	<u>\$ 106,790</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			12,149	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(865)	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ (1,182)</u>	



**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**RECREATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	515	515	1	(514)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	515	515	1	(514)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	1,000	1,000	174	826
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,000	1,000	174	826
<i>Excess (deficiency) of revenues over expenditures</i>	(485)	(485)	(173)	312
<i>Other financing sources (uses)</i>				
Designated Cash	485	485	-	(485)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	485	485	-	(485)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(173)	(173)
<i>Cash Balance - Beginning of Year</i>	-	-	978	978
<i>Cash Balance - End of Year</i>	\$ -	\$ -	805	\$ 805
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (173)	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**WATER RIGHTS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	15	15	3	(12)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	15	15	3	(12)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	3,200	3,200	-	3,200
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,200	3,200	-	3,200
<i>Excess (deficiency) of revenues over expenditures</i>	(3,185)	(3,185)	3	3,188
<i>Other financing sources (uses)</i>				
Designated Cash	3,185	3,185	-	(3,185)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	3,185	3,185	-	(3,185)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	3	3
<i>Cash Balance - Beginning of Year</i>	-	-	3,217	3,217
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 3,220	\$ 3,220
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 3	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**ACTIVITIES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	75	75	-	(75)
Miscellaneous	-	-	1,350	1,350
<i>Total revenues</i>	<u>75</u>	<u>75</u>	<u>1,350</u>	<u>1,275</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>75</u>	<u>75</u>	<u>1,350</u>	<u>1,275</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(75)	(75)	-	75
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(75)</u>	<u>(75)</u>	<u>-</u>	<u>75</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	1,350	1,350
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>2,364</u>	<u>2,364</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,714</u>	<u>\$ 3,714</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			8	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ 1,358</u>	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**BEAUTIFICATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	3,500	3,500	-	(3,500)
<i>Total revenues</i>	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	3,500	3,500	-	3,500
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>992</u>	<u>992</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 992</u>	<u>\$ 992</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**ENCHANTED EAGLE PARK SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	2,500	2,500	1,095	(1,405)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,500	2,500	1,095	(1,405)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	5,000	5,000	1,127	3,873
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,000	5,000	1,127	3,873
<i>Excess (deficiency) of revenues over expenditures</i>	(2,500)	(2,500)	(32)	2,468
<i>Other financing sources (uses)</i>				
Designated Cash	2,500	2,500	-	(2,500)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	2,500	2,500	-	(2,500)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(32)	(32)
<i>Cash Balance - Beginning of Year</i>	-	-	3,663	3,663
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 3,631	\$ 3,631
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (32)	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**AQUAPONICS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	1,300	1,300	1,050	(250)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,300	1,300	1,050	(250)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	1,200	1,200	255	945
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,200	1,200	255	945
<i>Excess (deficiency) of revenues over expenditures</i>	100	100	795	695
<i>Other financing sources (uses)</i>				
Designated Cash	(100)	(100)	-	100
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(100)	(100)	-	100
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	795	795
<i>Cash Balance - Beginning of Year</i>	-	-	1,063	1,063
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 1,858	\$ 1,858
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 795	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**RECYCLE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	3,000	3,000	1,227	(1,773)
Investment Income(Loss)	50	50	29	(21)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,050	3,050	1,256	(1,794)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	3,000	3,000	992	2,008
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,000	3,000	992	2,008
<i>Excess (deficiency) of revenues over expenditures</i>	50	50	264	214
<i>Other financing sources (uses)</i>				
Designated Cash	(50)	(50)	-	50
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(50)	(50)	-	50
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	264	264
<i>Cash Balance - Beginning of Year</i>	-	-	707	707
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 971	\$ 971
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 264	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**AMBULANCE REPLACEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	15	15	-	(15)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	15	15	-	(15)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	15	15	-	(15)
<i>Other financing sources (uses)</i>				
Designated Cash	(15)	(15)	-	15
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(15)	(15)	-	15
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	33,668	33,668
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 33,668	\$ 33,668
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	



**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**PUBLIC WORKS VEHICLE REPLACEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	5,025	5,025	-	(5,025)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	5,025	5,025	-	(5,025)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	5,000	5,000	-	5,000
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,000	5,000	-	5,000
<i>Excess (deficiency) of revenues over expenditures</i>	25	25	-	(25)
<i>Other financing sources (uses)</i>				
Designated Cash	(25)	(25)	-	25
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(25)	(25)	-	25
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	12	12
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 12	\$ 12
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**PARK REPLACEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	4,599	4,599
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	4,599	4,599
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	4,500	5,000	4,599	401
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	4,500	5,000	4,599	401
<i>Excess (deficiency) of revenues over expenditures</i>	(4,500)	(5,000)	-	5,000
<i>Other financing sources (uses)</i>				
Designated Cash	4,500	5,000	-	(5,000)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	4,500	5,000	-	(5,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**CDBG CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	100	100
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 100	\$ 100
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**WTR SYSTEM IMPROVEMENT #14-1609 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	624,500	624,500	57,096	(567,404)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	624,500	624,500	57,096	(567,404)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	40,000	215,000	57,096	157,904
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	40,000	215,000	57,096	157,904
<i>Excess (deficiency) of revenues over expenditures</i>	584,500	409,500	-	(409,500)
<i>Other financing sources (uses)</i>				
Designated Cash	(584,500)	(409,500)	-	409,500
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(584,500)	(409,500)	-	409,500
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			5,866	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(8,918)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (3,052)	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**DEEP TUNNEL/TOMBOY MAP 7607 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	215,000	215,000	215,000	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	215,000	215,000	215,000	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	215,000	215,000	215,000	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	215,000	215,000	215,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**DEBT SERVICE RESERVE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	13,444	13,444
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 13,444	\$ 13,444
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**DEBT SERVICE REPLACEMENT RESERVE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	30,000	30,000
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 30,000	\$ 30,000
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	13,444	13,444	13,442	2
<i>Total expenditures</i>	13,444	13,444	13,442	2
<i>Excess (deficiency) of revenues over expenditures</i>	(13,444)	(13,444)	(13,442)	2
<i>Other financing sources (uses)</i>				
Designated Cash	13,444	13,444	-	(13,444)
Transfers (In) Out	-	-	14,223	14,223
<i>Total other financing sources (uses)</i>	13,444	13,444	14,223	779
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	781	781
<i>Cash Balance - Beginning of Year</i>	-	-	22,066	22,066
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 22,847	\$ 22,847
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 781	



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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**JOINT UTILITY PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	174,567	227,550	189,387	(38,163)
Investment Income(Loss)	100	100	176	76
Miscellaneous	-	-	-	-
<i>Total revenues</i>	174,667	227,650	189,563	(38,087)
<i>Expenditures:</i>				
Current:				
Operating Expenses	170,964	229,810	61,899	167,911
Travel	-	-	20	(20)
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	41,098	(41,098)
Purchases for Resale	-	-	-	-
Contract Services	-	-	7,588	(7,588)
Salaries	-	-	57,697	(57,697)
Supplies	-	-	6,644	(6,644)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	170,964	229,810	174,946	54,864
<i>Excess (deficiency) of revenues over expenditures</i>	3,703	(2,160)	14,617	16,777
<i>Other financing sources (uses)</i>				
Designated Cash	41,139	47,002	-	(47,002)
Transfers (In) Out	(44,842)	(44,842)	(36,298)	8,544
<i>Total other financing sources (uses)</i>	(3,703)	2,160	(36,298)	(38,458)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(21,681)	(21,681)
<i>Fund balance - Beginning of Year</i>	-	-	1,007,807	1,007,807
<i>Fund balance - End of Year</i>	\$ -	\$ -	\$ 986,126	\$ 986,126

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SOLID WASTE PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	121,455	164,996	108,587	(56,409)
Investment Income(Loss)	100	100	37	(63)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	121,555	165,096	108,624	(56,472)
<i>Expenditures:</i>				
Current:				
Operating Expenses	-	-	15,011	(15,011)
Travel	-	-	553	(553)
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	4,510	(4,510)
Purchases for Resale	-	-	-	-
Contract Services	186,847	230,388	72,395	157,993
Salaries	-	-	26,841	(26,841)
Supplies	-	-	610	(610)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	186,847	230,388	119,920	110,468
<i>Excess (deficiency) of revenues over expenditures</i>	(65,292)	(65,292)	(11,296)	53,996
<i>Other financing sources (uses)</i>				
Designated Cash	65,292	65,292	-	(65,292)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	65,292	65,292	-	(65,292)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(11,296)	(11,296)
<i>Fund balance - Beginning of Year</i>	-	-	82,979	82,979
<i>Fund balance - End of Year</i>	\$ -	\$ -	71,683	\$ 71,683

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PENSION LIABILITY  
REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO  
Village of Eagle Nest  
Required Supplementary Information  
June 30, 2016

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY OF PERA FUND DIVISION – GENERAL**

**Public Employees Retirement Association (PERA) Plan**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.0185%	0.0185%
Village's proportionate share of the net pension liability (asset)	\$ 190,663	\$ 144,320
Village's covered-employee payroll	\$ 254,265	\$ 199,837
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	74.99%	72.22%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

\* The amounts presented were determined as of June 30 as of the previous fiscal year. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the State of New Mexico will present information for those years for which information is available.

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STATE OF NEW MEXICO  
Village of Eagle Nest  
Required Supplementary Information  
June 30, 2016  
**SCHEDULE OF THE CONTRIBUTIONS**

**Public Employees Retirement Association (PERA) Plan**

**PERA Fund Division - General**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 18,815	\$ 14,788
Contributions in relation to the contractually required contribution	\$ 18,815	\$ 14,788
Contribution deficiency (excess)	-	-
Village's covered-employee payroll	\$ 254,265	\$ 199,837
Contributions as a percentage of covered-employee payroll	7.40%	7.40%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

*Note: The employee contribution is not included in this schedule.*

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STATE OF NEW MEXICO  
Village of Eagle Nest  
Required Supplementary Information  
June 30, 2016

**Notes to Required Supplementary Information**

**For the Year Ended June 30, 2016**

**Changes of benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Changes of assumptions.**

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report_FINAL.pdf). The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SCHEDULE OF CASH AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2016**

Schedule I

Bank Account Type/Name	International Bank	Bank of America	FNB NM	Total
Checking - Village of Eagle Nest	\$ -	\$ 5,098	\$ -	\$ 5,098
Checking - Beautification Committee	-	-	992	992
Checking - CDBG	-	-	-	-
Checking - Fire, Interest Bearing	100	-	-	100
Checking - General Pooled Account, Interest Bearing	5,396	-	-	5,396
Checking - Activities	638,324	-	-	638,324
Checking - Enchanted Eagle Park	3,714	-	3,631	7,345
<b>Total On Deposit</b>	<b>647,534</b>	<b>5,098</b>	<b>4,624</b>	<b>657,256</b>
Reconciling Items	(48,271)	-	-	(48,271)
Reconciled Balance	<u>\$ 599,263</u>	<u>\$ 5,098</u>	<u>\$ 4,624</u>	<u>\$ 608,985</u>
Investments in NM State Treasurer				<u>170,748</u>
<b>Total June 30, 2016</b>				<u><u>\$ 779,733</u></u>

This amount is reflected in the financial statements as follows:

Cash and cash equivalents-Governmental activities Ex-B-1	691,830
Cash and cash equivalents-Business type activities Ex-D-1	87,903
	<u>\$ 779,733</u>

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2016**

Schedule II

Name of Depository	Description of Pledged Collateral	Market Value June 30, 2016	Name and Location of Safekeeper
International Bank	FNMA CBL Cusip 3136FPBB2, 2.25% 4/21/2021	\$ 125,296	Bankers Bank of the West Denver, CO
International Bank	FHLB Cusip 73130A0C65, .62% 12/28/2016	150,106	Bankers Bank of the West Denver, CO
International Bank	FNMA . Cusip 3136G12K4, 1.20% 12/20/2018	<u>50,060</u>	Bankers Bank of the West Denver, CO
		<u>\$ 325,462</u>	

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STATE OF NEW MEXICO  
 VILLAGE OF EAGLE NEST  
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)  
 JUNE 30, 2016

Agency Number	Agency Name	Agency Type	RFP#/RFPI (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
6055	Village of Eagle Nest	Municipalities	2016-01	Competitive (RFP or RFB)	Dennis Engineering	Winner	\$ 153,315.40		21 Main St, Edgewood, NM 87015	No	No	Water System Improvement Phase II	N/A
6055	Village of Eagle Nest	Municipalities	2015-01 (Continuation)	Competitive (RFP or RFB)	Primelec Propane	Winner	\$1.70 Per Gallon		8999 FARMERS RD, Benson, NM 87740	No	No	Propane Services	N/A
6055	Village of Eagle Nest	Municipalities	2015-002	Competitive (RFP or RFB)	Bruce's Gravel	Winner	\$ 55,700.00		2845 Highway 38, Eagles Nest, NM 87718	No	No	Solid Waste Services	N/A

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**COMPLIANCE SECTION**

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**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*  
INDEPENDENT AUDITORS REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Village of Eagle Nest  
Eagle Nest, 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, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, and capital project funds of the Village of Eagle Nest as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Village of Eagle Nest's basic financial statements, and the combining and individual and related budgetary comparisons of Village of Eagle Nest, presented as supplemental information, and have issued our report thereon dated October 27, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village of Eagle Nest's internal control over financial reporting to determine the auditing 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 Village of Eagle Nest's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Eagle Nest'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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 the internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be significant deficiencies described as 2015-001 and 2015-003.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village of Eagle Nest's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2015-001 and 2015-003.

### **Village of Eagle Nest's Response to Findings**

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

### **Purpose of this Report**

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

*Precision Accounting LLC*

Precision Accounting LLC  
Albuquerque, New Mexico  
October 27, 2016

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**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
June 30, 2016

**A. PRIOR YEAR AUDIT FINDINGS**

2015-001 Controls over Disbursements (Significant Deficiency)  
2015-002 Noncompliance with Payroll (Significant Deficiency)  
2015-003 Reconciliation of Utility Security Deposits (Significant Deficiency)

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**2015-001 Controls over Disbursements (Significant Deficiency)**

**CONDITION:** During our test work of cash disbursements, we noted sixteen (16) transactions out of one hundred fifty six (156) transactions tested that had insufficient or no supporting documentation. This resulted in a 10.3% error, and for a population of 697 checks, a projected potential error of 72 items. Due to turnover in staffing, there was a lack of progress in refining the cash disbursement controls.

**CRITERIA:** NMSA 1978, section 6-5-8, states that purchases for goods and services, other than personnel, must be accompanied by supporting invoices and documentation. In addition, the New Mexico Procurement Code (13-1-28 to 13-1-199 NMSA 1978) states that purchase orders should be approved by management prior to purchases, including P.O. revisions as necessary.

**CAUSE:** The Village is behind on its filing and the disbursement packets are not complete

**EFFECT:** Without adequate supporting documentation for purchases, there can be risks for unsupported or improper purchases with public funding and the potential to negatively affect fund budgets.

**RECOMMENDATION:** We recommend that the Village complete each disbursement packet prior to issuing checks to ensure that the procurement is adequately supported and that it has proper authorization prior to disbursement.

**CLIENT RESPONSE:** The Village of Eagle Nest had an extremely large turn-over in employees for Fiscal Year 2015-2016. The Chief Procurement Officer and Assistant to the Finance Officer left in February of 2016. The Finance Officer was certified for procurement and became the Procurement Officer. Numerous employees were hired to assist the Finance Officer and were to take the procurement classes to fill that position. The employees left and the position was filled August 2016. The Finance Officer could not keep up with the whole process and trying to meet all deadlines for DFA.

The Village of Eagle Nest has since implemented the following procedures to be in compliance with procurement and the filing of invoices and checks. Once the new employee is certified to be Chief Procurement Officer the Finance Officer can resume her other duties. The other employee will also help in assisting the Finance Officer. Disbursements should be assembled as soon as the check is written and mailed for that document. The Finance Officer plans to have documents completed at least one time a week or as soon as the transaction is completed. It will be assigned to an assistant if the Finance Officer is unable to complete everything at that time. The final document will contain a copy of the check, invoice(s), quoted(s) if needed, packing slips, completed purchase requisition and purchase order. The document is now complete and can be filed according to month, check order, and bank account (ie. general/pooled, fire, CDBG, parks, etc.). Upon completion all transactions will be monitored by Administrator or Procurement Officer. The Procurement Officer and Administrator are responsible for administering and monitoring this process and corrective action and will be effective December 1, 2016.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
June 30, 2016

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**2015-003 Reconciliation of Utility Security Deposits (Significant Deficiency), repeated and revised**

**CONDITION:** During our test work of utility security deposits are not being reconciled and adjusted accordingly. A difference of \$1,296 was noted between the RVS utility billing system and the Quickbooks System. Due to turnover in staffing, there was a lack of progress in reconciling the Security Deposits between the utility system and the General Ledger.

**CRITERIA:** NMSA 1978 section 6-5-2 states that proper internal controls should be designed and employed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

**CAUSE:** Unknown

**EFFECT:** By not reconciling the utility security deposits the Village may not be able to accurately account for customer security deposits or refunds or may be erroneously retaining customer deposits.

**RECOMMENDATION:** The Village should be reconciling the utility security deposits and refunding or applying customer balances in accordance with their policies.

**COSTS AND BENEFITS OF RECOMMENDED ACTION:** The costs of improvements to the system should be minimal and will allow the Village accurately account for customer utility security deposits.

**CLIENT RESPONSE:** The Village of Eagle Nest also had an extreme turn-over in the Municipal Clerk/Joint Utility Billing Clerk position. The Village is now in a position to correct the differences between the Joint Utility Billing program and what is actually posted in the financial records for the Village of Eagle Nest. The Finance Officer has not been able to reconcile with the Billing Clerk due to all the vacancies and trying to train new employees. The Village is now in the position to being this process.

The new customer is required to pay a Joint Utility deposit (Utility security deposit). The deposit is recorded in the general receipt book and posited to the main accounting system. A copy of the receipt is provided to the Joint Utility Billing Clerk. The billing clerk is to record the deposit as information only on the customer's account in the RVS utility system. The Billing Clerk and Finance Officer should have reports that match at the end of each month. The Administrator will be provided a copy of that report for a check and balance system. Deposits will be held for the term of service rendered by the Village to the customer. The deposit refund will be made within a reasonable time after receipt of notice from the Customer that the Customer is terminating service. The refund will be contingent upon the final meter read and that all amounts due to the Village have been settled in full. This in accordance with Eagle Nest Ordinance 2010-04, "Water Use and Delinquent Water & Wastewater Accounts". The Finance Officer and Billing Clerk are responsible for administering and monitoring this process and corrective action will be effective as of December 1, 2016.

**STATE OF NEW MEXICO**  
**VILLAGE OF EAGLE NEST**  
**OTHER DISCLOSURES**  
June 30, 2016

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

The Village has the capability of understanding and accepting responsibility for its own GAAP-basis financial statements, however, the Village's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

**B. EXIT CONFERENCE**

The contents of this report were discussed on October 27, 2016. The following individuals were in attendance.

Village of Eagle Nest

Richard Cordova, Mayor

Mary Berglund, Village Administrator

Cathy Coppy, CMC, Village Finance Officer

Jamie McCaslin, Councilor

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CGMA

Daniel Perea, Staff Accountant

Alexandra Yebra, Staff Accountant

Zachary Hayes, Staff Accountant