

**State of New Mexico**  
**Town of Edgewood**

*Basic Financial Statements and  
Required Supplementary Information  
For the Year Ended June 30, 2015  
and Independent Auditor's Report*

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

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JUNE 30, 2015**

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TOWN OF EDGEWOOD**

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**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**DIRECTORY OF OFFICIALS**

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**ELECTED OFFICIALS**

Brad Hill  
Sherry Abraham  
John Abrams  
Chuck Ring  
Rita Loy Simmons

Mayor  
Councilor  
Councilor / Mayor Pro Tem  
Councilor  
Councilor

**ADMINISTRATIVE OFFICIALS**

Steve Shepherd  
Estefanie Muller

Administrator  
Clerk-Treasurer

# WATTS CPA, P.C.

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## **INDEPENDENT AUDITOR'S REPORT**

Timothy Keller,  
New Mexico State Auditor  
Mayor and Town Council  
Town of Edgewood  
Edgewood, New Mexico

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the fiduciary fund, and the budgetary comparisons for the general fund and major special revenue funds of the Town of Edgewood as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the Town's nonmajor governmental funds, and the budgetary comparisons for the major capital project funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the fiduciary fund of the Town of Edgewood, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Town as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and GASB required supplementary pension schedules on pages 75 to 79 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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**

My audit was conducted for the purpose of forming opinions on the Town's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules required by Section 2.2.2 NMAC and listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by Section 2.2.2 NMAC are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of vendor information listed as "Other Information" in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, I have also issued my report dated November 25, 2015 on my consideration of the Town's internal control over financial reporting and on my 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 my 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 Town's internal control over financial reporting and compliance.

Watts CPA, P.C.

El Paso, Texas  
November 25, 2015



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

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This section of Town of Edgewood's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements, which follow this section.

**Financial Highlights**

- The assets and deferred outflows of resources of the Town of Edgewood exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year end by \$12,312,411 (net position).
- The Town's total net position decreased by \$1,551,782 during the fiscal year. The decrease is due to a new accounting pronouncement requiring pensions to be recorded cause a restatement of prior years net position of \$1,707,987. The Town's activities increased the net position \$156,205.
- As of June 30, 2015, the Town's governmental funds reported combined ending fund balances of \$6,843,012. Of this total, \$1,055,558 is restricted for special revenue, capital projects, debt service and other restricted items.
- The Town assessed and began collecting a property tax in 2015 to service debt. Property tax revenue was \$276,966 in 2015.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$932,761.

**Overview of the Financial Statements**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the Town's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses.

## **Government-Wide Statements**

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

The *statement of net position* presents information on all of the Town of Edgewood'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 Town of Edgewood 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*. 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 Town of Edgewood 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 the Town of Edgewood include general government, public safety, highways and streets and culture and recreation. The business-type activities of the Town include waste water services.

## **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 Town of Edgewood, 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 Town of Edgewood can be divided into two categories: governmental funds and proprietary 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 and outflows of expendable resources*, as well as on *balances of expendable 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 Town'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 Town maintains nineteen individual governmental funds organized according to their type (general, special revenue, capital projects and debt service). Information is presented separately in governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Municipal Streets Fund, Police Fund, Capital Projects Fund and NMFA Loan 5 Program Fund, all of which are considered to be major funds. Data from the other fourteen 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 Town of Edgewood adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the all of the governmental funds to demonstrate compliance with this budget.

### ***Proprietary Funds***

*Proprietary funds* are generally used to account for services for which the Town charges customers - either outside customers or internal units or departments of the Town. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The Town maintains one proprietary fund, the Waste Water Fund. The proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements.

### **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 beginning on page 29 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.

### **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 Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,312,411 at the close of the current fiscal year.

The largest portion of the Town of Edgewood's net position represent the Town's investment of \$12,328,799 in capital assets (e.g., land, construction in progress, improvements, buildings, infrastructure, and machinery and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

A portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$994,171 which if were positive, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position, except in unrestricted for the government as a whole.

### **Analysis of Changes in Net Position**

During the current fiscal year, the Town's net position in governmental and business-type activities increased by \$156,205. These increases are explained in the governmental and business-type activities discussion that follows.

***Governmental Activities***

Governmental activities increased the Town's net position by \$464,456. Revenues not including transfers increased from \$3,926,860 for the year ended June 30, 2014 to \$4,627,973 for the year ended June 30, 2015. The increase in revenues is primarily because the Town received more grant money in 2015, and began assessing a property tax in 2015, which had \$276,996 in revenue in 2015. Governmental expenses decreased slightly from \$3,775,933 for the year ended June 30, 2014 to \$3,740,744 for the year ended June 30, 2015, primarily because the Town decreased its budget and spending for general government. Total revenues and expenses from governmental activities are summarized below.

***Business-Type Activities***

Business-type activities decreased the Town's net position by \$308,251 after transfers in of \$422,773 in from governmental activities, compared to the prior year's decrease of \$313,510 after transfers of \$342,384 from the general fund. The wastewater system continues to require transfers to fund operations, repairs and maintenance.

A summary of the statement of net position is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 7,025,143	\$ 5,580,673	\$ 1,106	\$ 1,108	\$ 7,026,249	\$ 5,581,781
Capital assets, net of accumulated depreciation	9,281,747	7,767,792	6,026,903	6,331,354	15,308,650	14,099,146
Deferred outflow of resources	174,781	-	-	-	174,781	-
<b>Total assets and deferred outflows of resources</b>	<b>\$16,481,671</b>	<b>\$13,348,465</b>	<b>\$ 6,028,009</b>	<b>\$ 6,332,462</b>	<b>\$22,509,680</b>	<b>\$19,680,927</b>
Current and other liabilities	\$ 1,804,009	\$ 334,646	\$ 63,465	\$ 41,581	\$ 1,867,474	\$ 376,227
Long-term liabilities	7,481,962	5,104,124	318,297	336,383	7,800,259	5,440,507
Deferred inflows of resources	529,536	-	-	-	529,536	-
<b>Total assets and deferred inflows of resources</b>	<b>9,815,507</b>	<b>5,438,770</b>	<b>381,762</b>	<b>377,964</b>	<b>10,197,269</b>	<b>5,816,734</b>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	6,635,279	6,294,299	5,690,520	5,977,412	12,325,799	12,271,711
Restricted	980,783	737,655	-	-	980,783	737,655
Unrestricted	(949,898)	877,741	(44,273)	(22,914)	(94,171)	854,827
<b>Total net position</b>	<b>\$ 6,666,164</b>	<b>\$ 7,909,695</b>	<b>\$ 5,646,247</b>	<b>\$ 5,954,498</b>	<b>\$12,312,411</b>	<b>\$13,864,193</b>

A summary of the statement of activities is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program revenue:						
Charges for services	\$ 79,211	\$ 124,424	\$ 29,427	\$ 26,476	\$ 108,638	\$ 150,900
Operating grant and contributions	185,798	220,382	-	-	185,798	220,382
Capital grants and contributions	318,617	46,709	-	-	318,617	46,709
General revenues:						
Taxes	4,013,696	3,465,639	-	-	4,013,696	3,465,639
Other income	30,651	69,706	-	-	30,651	69,706
Total revenues	4,627,973	3,926,860	29,427	26,476	4,657,400	3,953,336
<b>EXPENSES</b>						
General government	1,124,043	1,227,236	-	-	1,124,043	1,227,236
Public safety	1,417,207	1,472,669	-	-	1,417,207	1,472,669
Highways and streets	672,837	810,227	-	-	672,837	810,227
Cultural and recreation	301,048	265,801	-	-	301,048	265,801
Interest expense	225,609	-	-	-	225,609	-
Waste water expenses	-	-	760,451	682,370	760,451	682,370
Total expenses	3,740,744	3,775,933	760,451	682,370	4,501,195	4,458,303
Changes in net position before transfers	887,229	150,927	(731,024)	(655,894)	156,205	(504,967)
Transfers	(422,773)	(342,384)	422,773	342,384	-	-
Changes in net position	464,456	(191,457)	(308,251)	(313,510)	156,205	(504,967)
Net position - beginning	6,201,708	8,101,152	5,954,498	6,268,008	12,156,206	14,369,160
Net position - ending	\$ 6,666,164	\$ 7,909,695	\$ 5,646,247	\$ 5,954,498	\$12,312,411	\$13,864,193

### Financial Analysis of the Town of Edgewood as a Whole

As noted earlier, the Town of Edgewood uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

#### *Governmental Funds*

The focus of the Town of Edgewood's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the Town of Edgewood's financing requirements. In particular, *unassigned 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 Town include the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,843,012, an increase of \$1,446,125 in comparison with the prior year. Approximately 14% of this total amount, or \$932,761, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$5,910,251, is restricted to indicate that it is not available for new spending because it has already been restricted to pay special revenue, capital projects, debt service and other restricted items. The increase in fund balance in the year ended June 30, 2015 is primarily due to the issuance of notes payable in 2014.

Revenues for governmental functions overall totaled \$4,627,973 in the year ended June 30, 2015, which

represents an increase of \$701,113 from the year ended June 30, 2014. Expenditures for governmental functions totaled \$5,455,558 in the year ended June 30, 2015. This was an increase of \$1,194,957 from the fiscal year-ended June 30, 2014. In the fiscal year-ended June 30, 2015, expenditures for governmental functions exceeded revenues by approximately \$827,585. The Town issued a note payable in 2015, which is included as an other financing source in the funds.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$1,007,536, which consisted of \$74,775 restricted fund balance and \$923,472 unassigned fund balance.

The fund balance of the Town's General Fund increased \$18,304 during the current fiscal year.

### ***Proprietary Funds***

The Town'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 unrestricted net position for the Waste Water Fund was a deficit of \$44,273. The total decrease in net position for the proprietary fund was \$308,251. The deficit and decrease in net position were due primarily to large repairs and maintenance in 2015.

### **General Fund Budgetary Highlights**

The discussion that follows presents financial data based upon the budgetary basis of accounting. Please refer to the notes of the financial statements for an explanation of the differences of accounting regarding the budget.

During the current fiscal year, the Town budgeted general fund revenues at \$2,613,784. The actual revenues for the fiscal year were \$2,658,075, which is \$44,291 higher than budgeted.

Increases in the original budget were made due to additional income received during the fiscal year, allowing the Town to increase the budgeted expenditures.

For the year ended June 30, 2015, general fund expenditures were under budget by \$49,829.

### **Capital Asset and Debt Administration**

#### ***Capital Assets***

The Town of Edgewood's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$15,308,650 (net of accumulated depreciation). Capital assets include land, construction in progress, improvements, buildings, machinery and equipment, and infrastructure. The total additions to the Town's capital assets (excluding accumulated depreciation) for the current fiscal year was \$1,962,294 for governmental activities. Improvements and infrastructure costing \$550,156 was purchased for the Town and land and construction in progress of \$1,149,385 was added in the year ended June 30, 2015. Construction in progress consists primarily of a new police department and animal control shelter. There were no additions in business-type capital assets (excluding accumulated depreciation) for the current fiscal year. There were deletions, net of accumulated depreciation in the governmental activities totaling \$31,804 consisting of vehicles and no deletions in the business-type during 2015.

The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

**Capital Assets, Net of Depreciation  
June 30, 2015 and 2014**

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and Construction in Progress	\$ 1,460,239	\$ 310,854	\$ -	\$ -	\$ 1,460,239	\$ 310,854
Buildings, Equipment and Infrastructure	7,821,508	7,456,938	-	-	7,821,508	7,456,938
Waste water system	-	-	6,026,903	6,331,354	6,026,903	6,331,354
Capital Assets, Net of A/D	<u>\$ 9,281,747</u>	<u>\$ 7,767,792</u>	<u>\$ 6,026,903</u>	<u>\$ 6,331,354</u>	<u>\$ 15,308,650</u>	<u>\$ 14,099,146</u>

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.

The Statement of Net Position shows the Investment in Capital Assets-Governmental and Business-Type Activities in the amount of \$12,325,799. This investment includes the land, construction in progress, buildings, improvements, infrastructure, machinery and equipment and the waste water system net of all applicable debt service.

During 2015, the Town issued \$2,696,483 in notes payable. The Town's long term debt is summarized as follows:

**Long Term Debt  
June 30, 2015 and 2014**

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Notes Payable	\$ 4,071,161	\$ 1,473,493	\$ 336,383	\$ 353,942	\$ 4,407,544	\$ 1,827,435
Bonds Payable	3,670,000	3,670,000	-	-	3,670,000	3,670,000
Compensated Absences	49,960	111,491	-	-	49,960	111,491
Total Long Term Debt	<u>\$ 7,791,121</u>	<u>\$ 5,254,984</u>	<u>\$ 336,383</u>	<u>\$ 353,942</u>	<u>\$ 8,127,504</u>	<u>\$ 5,608,926</u>

**Contacting the Town of Edgewood's Financial Management**

This financial report is designed to provide a general overview of the Town of Edgewood's finances for 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 the Town of Edgewood Administration; PO Box 3610, Edgewood NM 87015.

**BASIC FINANCIAL STATEMENTS**



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**STATEMENT OF NET POSITION  
JUNE 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 6,333,635	\$ -	\$ 6,333,635
Receivables:			
Taxes	691,508	-	691,508
Other	-	1,106	1,106
Capital assets, net of accumulated depreciation	9,281,747	6,026,903	15,308,650
Total assets	<u>16,306,890</u>	<u>6,028,009</u>	<u>22,334,899</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension plan	174,781	-	174,781
Total deferred outflow of resources	<u>174,781</u>	<u>-</u>	<u>174,781</u>
Total deferred outflow of resources and assets	<u>\$ 16,481,671</u>	<u>\$ 6,028,009</u>	<u>\$ 22,509,680</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 139,184	\$ 45,379	\$ 184,563
Impact fee deposits	4,065	-	4,065
Accrued compensation and benefits	38,882	-	38,882
Accrued interest payable	65,287	-	65,287
Noncurrent liabilities:			
Net pension liability	1,247,432	-	1,247,432
Notes payable - Due within one year	139,199	18,086	157,285
Notes payable - Due after one year	3,931,962	318,297	4,250,259
Bond payable - Due within one year	120,000	-	120,000
Bond payable - Due after one year	3,550,000	-	3,550,000
Compensated absences - Due within one year	49,960	-	49,960
Total liabilities	<u>9,285,971</u>	<u>381,762</u>	<u>9,667,733</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pension plan	529,536	-	529,536
Total deferred inflow of resources	<u>529,536</u>	<u>-</u>	<u>529,536</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,635,279	5,690,520	12,325,799
Restricted for:			
Reserved for special revenue funds	188,333	-	188,333
Reserved for capital projects funds	275,585	-	275,585
Reserved for debt service funds	516,865	-	516,865
Unrestricted	(949,898)	(44,273)	(994,171)
Total net position	<u>\$ 6,666,164</u>	<u>\$ 5,646,247</u>	<u>\$ 12,312,411</u>

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Primary Government Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 1,124,043	\$ 67,919	\$ 129,156	\$ -	\$ (926,968)	\$ -	\$ (926,968)
Public safety	1,417,207	11,292	37,010	-	(1,368,905)	-	(1,368,905)
Highways and streets	672,837	-	-	318,617	(354,220)	-	(354,220)
Culture and recreation	301,048	-	19,632	-	(281,416)	-	(281,416)
Interest expense	225,609	-	-	-	(225,609)	-	(225,609)
Total governmental activities	3,740,744	79,211	185,798	318,617	(3,157,118)	-	(3,157,118)
Business-type Activities:							
Waste water	760,451	29,427	-	-	-	(731,024)	(731,024)
Total business-type activities	760,451	29,427	-	-	-	(731,024)	(731,024)
Total primary government	\$ 4,501,195	\$ 108,638	\$ 185,798	\$ 318,617	(3,157,118)	(731,024)	(3,888,142)
<b>General Revenues and Transfers:</b>							
Gross receipt taxes					3,601,595	-	3,601,595
Property taxes					276,996	-	276,996
Gasoline taxes					135,105	-	135,105
Investment income					7,698	-	7,698
Other					22,953	-	22,953
Transfers					(422,773)	422,773	-
Total general revenues and transfers					3,621,574	422,773	4,044,347
Change in net position					464,456	(308,251)	156,205
Net position - beginning as previously reported					7,909,695	5,954,498	13,864,193
Restatement					(1,707,987)	-	(1,707,987)
Net position - beginning as restated					6,201,708	5,954,498	12,156,206
Net position - ending					\$ 6,666,164	\$ 5,646,247	\$ 12,312,411

See accompanying notes to financial statements and independent auditors' report.

**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	General Fund	Municipal Streets	Police Fund	Capital Projects	NMFA Loan 5 Program	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Investments	\$ 727,144	\$ 1,943	\$ -	\$ 2,864,230	\$ 2,103,839	\$ 636,479	\$ 6,333,635
Receivables:							
Taxes							
Gross receipts tax	385,058	-	118,824	162,209	-	-	666,091
Property tax	-	-	-	-	-	3,440	3,440
Gasoline tax	-	21,390	-	-	-	-	21,390
Other	587	-	-	-	-	-	587
	<u>1,112,789</u>	<u>23,333</u>	<u>118,824</u>	<u>3,026,439</u>	<u>2,103,839</u>	<u>639,919</u>	<u>7,025,143</u>
Total assets	\$ 1,112,789	\$ 23,333	\$ 118,824	\$ 3,026,439	\$ 2,103,839	\$ 639,919	\$ 7,025,143
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 87,352	\$ 11,430	\$ 26,320	\$ -	\$ -	\$ 14,082	\$ 139,184
Impact fee deposits	4,065	-	-	-	-	-	4,065
Accrued compensation and benefits	13,836	5,941	16,138	-	-	2,967	38,882
	<u>105,253</u>	<u>17,371</u>	<u>42,458</u>	<u>-</u>	<u>-</u>	<u>17,049</u>	<u>182,131</u>
Total liabilities	105,253	17,371	42,458	-	-	17,049	182,131
<b>Fund balances:</b>							
<b>Restricted, reported in:</b>							
General fund	74,775	-	-	-	-	-	74,775
Special revenue fund	-	5,962	76,366	-	-	106,005	188,333
Capital projects funds	-	-	-	3,026,439	2,103,839	-	5,130,278
Debt service funds	-	-	-	-	-	516,865	516,865
<b>Unassigned, reported in:</b>							
General fund	932,761	-	-	-	-	-	932,761
	<u>1,007,536</u>	<u>5,962</u>	<u>76,366</u>	<u>3,026,439</u>	<u>2,103,839</u>	<u>622,870</u>	<u>6,843,012</u>
Total fund balances	1,007,536	5,962	76,366	3,026,439	2,103,839	622,870	6,843,012
Total liabilities and fund balances	\$ 1,112,789	\$ 23,333	\$ 118,824	\$ 3,026,439	\$ 2,103,839	\$ 639,919	\$ 7,025,143

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

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

<b>Fund balances - total governmental funds</b>	\$ 6,843,012
Accrued compensated absences not payable from current revenue	(49,960)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	9,281,747
The following are related to pensions are not due and payable in the current period and therefore are not reported in the governmental funds:	
Net pension liability	(1,247,432)
Deferred inflows of resources	174,781
Deferred outflows of resources	(529,536)
Notes payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(4,071,161)
Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(3,670,000)
Accrued interest is not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(65,287)
<b>Net Position - Statement of Net Position</b>	<u>\$ 6,666,164</u>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Municipal Streets	Police Fund	Capital Projects	NMFA Loan 5 Program	Total Nonmajor Funds	Total
Revenues:							
Taxes	\$ 2,470,441	\$ 135,105	\$ 622,381	\$ 508,773	\$ -	\$ 276,996	\$ 4,013,696
Licenses, permits fees and fines	67,919	-	-	-	-	11,292	79,211
Intergovernmental - State	99,156	-	11,693	318,617	-	74,432	503,898
Grant	-	-	-	-	-	517	517
Interest	2,177	-	-	2,422	1,281	1,818	7,698
Miscellaneous	21,853	-	1,100	-	-	-	22,953
<b>Total revenues</b>	<b>2,661,546</b>	<b>135,105</b>	<b>635,174</b>	<b>829,812</b>	<b>1,281</b>	<b>365,055</b>	<b>4,627,973</b>
Expenditures:							
Current:							
General government	1,157,345	-	-	-	-	-	1,157,345
Public safety	364,029	-	1,087,980	-	-	15,201	1,467,210
Highways and streets	-	479,813	-	3,835	-	-	483,648
Culture and recreation	-	-	-	-	-	263,946	263,946
Capital outlay	24,531	-	-	1,211,196	583,121	5,424	1,824,272
Debt service							
Principal payments	-	-	-	-	-	98,815	98,815
Interest payments	-	-	-	-	20,224	140,098	160,322
<b>Total expenditures</b>	<b>1,545,905</b>	<b>479,813</b>	<b>1,087,980</b>	<b>1,215,031</b>	<b>603,345</b>	<b>523,484</b>	<b>5,455,558</b>
Excess (deficiency) of revenues over expenditures	1,115,641	(344,708)	(452,806)	(385,219)	(602,064)	(158,429)	(827,585)
Other financing sources (uses):							
Issuance of notes payable	-	-	-	-	2,545,474	151,009	2,696,483
Operating transfers in	-	200,662	433,446	95,831	237,331	407,266	1,374,536
Operating transfers out	(1,097,337)	-	-	(375,265)	(76,902)	(247,805)	(1,797,309)
<b>Total other financing sources (uses)</b>	<b>(1,097,337)</b>	<b>200,662</b>	<b>433,446</b>	<b>(279,434)</b>	<b>2,705,903</b>	<b>310,470</b>	<b>2,273,710</b>
<b>Net changes in fund balances</b>	<b>18,304</b>	<b>(144,046)</b>	<b>(19,360)</b>	<b>(664,653)</b>	<b>2,103,839</b>	<b>152,041</b>	<b>1,446,125</b>
Fund balance - beginning of year	989,232	150,008	95,726	3,691,092	-	470,829	5,396,887
<b>Fund balance - end of year</b>	<b>\$ 1,007,536</b>	<b>\$ 5,962</b>	<b>\$ 76,366</b>	<b>\$ 3,026,439</b>	<b>\$ 2,103,839</b>	<b>\$ 622,870</b>	<b>\$ 6,843,012</b>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**Net change in fund balances - total governmental funds** \$ 1,446,125

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. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Depreciation expense	(416,535)	
Capital outlay	1,962,294	
Loss on disposal of assets	(31,804)	
Excess of capital outlay over depreciation expense	1,513,955	1,513,955

The repayment of the principal of notes payable and accrued interest consumes current financial resources of governmental funds.	33,528
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The issuance of notes payable is an other financing source in the governmental funds.	(2,696,483)
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Change in deferred inflows, deferred outflows and liability related to pensions	105,800
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Accrued compensated absences are expensed under the accrual method, and not the modified accrual method.	61,531
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<b>Change in net position of governmental activities</b>	<b>\$ 464,456</b>
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See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 2,220,687	\$ 2,243,767	\$ 2,466,970	\$ 223,203
Licenses, permits, fees and fines	89,843	91,358	67,919	(23,439)
Intergovernmental - State	109,700	112,627	99,156	(13,471)
Interest	-	-	2,177	2,177
Grant	-	-	-	-
Miscellaneous	52,422	166,032	21,853	(144,179)
<b>Total revenues</b>	<u>2,472,652</u>	<u>2,613,784</u>	<u>2,658,075</u>	<u>44,291</u>
Expenditures:				
Current:				
General government	1,492,226	1,559,023	1,120,634	438,389
Public safety	-	-	364,029	(364,029)
Capital outlay	-	-	24,531	(24,531)
<b>Total expenditures</b>	<u>1,492,226</u>	<u>1,559,023</u>	<u>1,509,194</u>	<u>49,829</u>
Excess (deficiency) of revenues over expenditures	<u>980,426</u>	<u>1,054,761</u>	<u>1,148,881</u>	<u>94,120</u>
Other financing sources (uses):				
Operating transfers in	-	9,966	-	(9,966)
Operating transfers out	(1,210,398)	(1,210,398)	(1,097,337)	113,061
<b>Total other financing sources (uses)</b>	<u>(1,210,398)</u>	<u>(1,210,398)</u>	<u>(1,097,337)</u>	<u>113,061</u>
Net changes in fund balances	(229,972)	(155,637)	51,544	207,181
Fund balance - beginning of year	<u>989,232</u>	<u>989,232</u>	<u>989,232</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 759,260</u>	<u>\$ 833,595</u>	<u>\$ 1,040,776</u>	<u>\$ 207,181</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 51,544	
Change in:				
Accounts receivable			3,471	
Accounts payable			(32,964)	
Accrued compensation and benefits			(3,747)	
Net changes in fund balance GAAP basis			<u>\$ 18,304</u>	

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**MUNICIPAL STREETS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ 130,142	\$ 130,142	\$ 135,105	\$ 4,963
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>130,142</u>	<u>130,142</u>	<u>135,105</u>	<u>4,963</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	665,788	665,788	481,464	184,324
<b>Total expenditures</b>	<u>665,788</u>	<u>665,788</u>	<u>481,464</u>	<u>184,324</u>
Excess (deficiency) of revenues over expenditures	<u>(535,646)</u>	<u>(535,646)</u>	<u>(346,359)</u>	<u>189,287</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	496,909	496,909	200,662	(296,247)
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>496,909</u>	<u>496,909</u>	<u>200,662</u>	<u>(296,247)</u>
Net changes in fund balances	(38,737)	(38,737)	(145,697)	(106,960)
Fund balance - beginning of year	<u>64,098</u>	<u>64,098</u>	<u>150,008</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 25,361</u>	<u>\$ 25,361</u>	<u>\$ 4,311</u>	<u>\$ (106,960)</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ (145,697)	
Change in:				
Accounts receivable			-	
Accounts payable and accruals			4,306	
Accrued compensation and benefits			(2,655)	
Net changes in fund balance GAAP basis			<u>\$ (144,046)</u>	

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

POLICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 604,352	\$ 604,352	\$ 604,352	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	11,693	11,693
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	1,100	1,100	1,100	-
<b>Total revenues</b>	<u>605,452</u>	<u>605,452</u>	<u>617,145</u>	<u>11,693</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	1,113,488	1,113,488	1,083,502	29,986
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<u>1,113,488</u>	<u>1,113,488</u>	<u>1,083,502</u>	<u>29,986</u>
Excess (deficiency) of revenues over expenditures	<u>(508,036)</u>	<u>(508,036)</u>	<u>(466,357)</u>	<u>41,679</u>
Other financing sources (uses):				
Operating transfers in	433,446	433,446	433,446	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>433,446</u>	<u>433,446</u>	<u>433,446</u>	<u>-</u>
Net changes in fund balances	(74,590)	(74,590)	(32,911)	41,679
Fund balance - beginning of year	<u>95,726</u>	<u>95,726</u>	<u>95,726</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 21,136</u>	<u>\$ 21,136</u>	<u>\$ 62,815</u>	<u>\$ 41,679</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (32,911)	
Change in:				
Accounts receivable			18,029	
Accounts payable			1,676	
Accrued compensation and benefits			(6,154)	
Net changes in fund balance GAAP basis			<u>\$ (19,360)</u>	

See accompanying notes to financial statements and independent auditors' report.

**PROPRIETARY FUNDS FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS - WASTE WATER FUND  
JUNE 30, 2015**

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**ASSETS:**

Current Assets

Accounts receivable \$ 1,106

Total current assets 1,106

Noncurrent Assets

Capital assets, net of accumulated depreciation 6,026,903

**Total assets** \$ **6,028,009**

**LIABILITIES AND NET POSITION:**

Current Liabilities:

Accounts payable \$ 45,379

Current maturities of note payable 18,086

Total current liabilities 63,465

Noncurrent Liabilities:

Note payable 318,297

**Total liabilities** 381,762

Net Position:

Net investment in capital assets 5,690,520

Unrestricted (44,273)

**Total net position** 5,646,247

**Total liabilities and net position** \$ **6,028,009**

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS - WASTE WATER FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

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Operating Revenues:	
Service fees	\$ 21,427
Connection fees	8,000
	<hr/>
Total operating revenues	29,427
Operating Expenses:	
Professional services	263,771
Repairs and maintenance	119,453
Supplies	16,877
Utilities	44,263
Depreciation	304,451
State shared taxes	1,017
	<hr/>
Total operating expenses	749,832
Operating loss	<hr/> <u>(720,405)</u>
Non-Operating Expenses:	
Interest expense	10,619
	<hr/>
Loss before transfers	(731,024)
Transfers:	
Transfers in	422,773
	<hr/>
Change in net position	(308,251)
Net position - beginning of year	<hr/> 5,954,498
Net position - end of year	<hr/> <u>\$ 5,646,247</u>

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - WASTE WATER FUND  
FOR THE YEAR ENDED JUNE 30, 2015

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Cash Flows From Operating Activities:	
Cash received from customers	\$ 29,429
Cash payments to vendors for goods and services	<u>(424,024)</u>
<b>Net cash used in operating activities</b>	<u><b>(394,595)</b></u>

Cash Flows From Capital and Related Financing Activities:	
Payments on notes payable	(17,559)
Payments for interest on notes payable	<u>(10,619)</u>
<b>Net cash used in capital and related financing activities</b>	<u><b>(28,178)</b></u>

Cash Flows From Noncapital Financing Activities:	
Transfers in	<u>422,771</u>
<b>Net cash provided by noncapital financing activities</b>	<u><b>422,771</b></u>

**Net decrease in cash and cash equivalents** (2)

Cash and cash equivalents, beginning of year 2

**Cash and cash equivalents, end of year** **\$ -**

RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES:

Operating loss	\$ (720,403)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation	304,451
Change in:	
Accounts payable	<u>21,357</u>
<b>Total adjustments</b>	<u><b>325,808</b></u>
<b>Net cash used in operating activities</b>	<u><b>\$ (394,595)</b></u>

See accompanying notes to financial statements and independent auditors' report.

**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND  
JUNE 30, 2015**

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**ASSETS**

Cash	\$ 16,068
<b>Total assets</b>	<b>\$ 16,068</b>

**LIABILITIES**

Due to other entities	\$ 16,068
<b>Total liabilities</b>	<b>\$ 16,068</b>

See accompanying notes to financial statements and independent auditors' report.



STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Edgewood ("Town") was incorporated in July 1999 under the laws of the state of New Mexico, operates under the Mayor-Council form of government. The Town provides the following authorized services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services and a waste water utility.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Financial Reporting Entity

As required by GAAP, the financial statements present the Town and entities for which the Town is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2015.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. 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 Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 and enterprise funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are recorded.

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

The Town follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

*Derived tax revenues* are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes.

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

Property tax revenue is recorded on an accrual basis and the revenue is recognized in the fiscal year for which the taxes are levied.

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

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

Property taxes are levied and collected by the Santa Fe County Treasurer on behalf of the Town. Property taxes are levied in November and are payable in two installments, half on November 10 which becomes delinquent on December 10 and half on April 10 which becomes delinquent on May 11, which is also the lien date.

The Town reports the following major governmental funds:

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

*Municipal Streets.* A special revenues fund that accounts for funds used to maintain roads for which the Town is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of Town roads. Authority is NMSA 7-1-6.27.

*Police Fund.* A special revenues fund that accounts for revenues and expenditures relating to the Town police force. Financing is provided by gross receipts taxes.

*Capital Projects Fund.* A capital projects fund that accounts for money received and expended for capital projects.

*NMFA Loan 5 Program.* A capital projects fund that accounts for the receipts and disbursements of the funds from NMFA loan # 5. Authority is by Town resolution.

The Town reports the following major proprietary fund:

*Waste Water Fund.* This fund accounts for all the financial resources and expenditures related to the waste water system.

**B. Cash and Investments**

Cash includes amounts in demand deposits. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value which is determined by using selected bases. Interest income and realized gains and losses on investment transactions are included for financial statement purposes as investment income.

**C. Capital Assets**

Capital assets which include software, library books, property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments allows phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Town has elected not to retroactively record infrastructure assets.

Assets are recorded at historical cost or estimated historical cost if purchased or construction. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings, structures and improvements	10 - 40 years
Road Equipment	10 years
Furniture, fixtures and equipment	7 years
Vehicles	7 years
Infrastructure	25 years
Waste water system	25 years

**D. Deferred Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The Town has only one type of item that qualifies for reporting in this category. Accordingly, the item, related to pension plan is reported in the statement of net position. This amount is deferred and recognized as an outflow in the next period. The Town has recorded \$174,781 related to pension plan.

**E. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

**F. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources. The Authority has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town has recorded \$475,145 related to the net difference between expected and actual investment earnings and \$54,391 related to the changes in assumptions.

**G. 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 Public Employee Retirement Board (PERB) and additions to/deductions from PERB's fiduciary net position have been determined on the same basis as

they are reported by PERB, 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.

#### **H. Fund Balance**

In the fund financial statements, governmental fund balances are classified as follows:

***Nonspendable*** - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

***Restricted*** - Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.
- c. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

***Unassigned*** - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town's policy is to apply restricted resources first, committed sources second, assigned resources third, and unassigned resources last when an expense is incurred for purposes for which all or any fund balance classification is available.

#### **I. Net Position**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***J. Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***K. Cash Flows***

For purposes of the Statement of Cash Flows, the various enterprise funds consider all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents.

***L. Budgetary Information***

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, debt service and capital projects funds.

The Town follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Town Administrator submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Community Center to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Town Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Town Council and the New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and capital projects funds.
4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total.

***M. Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**N. New Accounting Pronouncements**

During the year ended June 30, 2015, the Town implemented GASB Statement No. 68, *Financial Reporting for Pension Plans - an Amendment of GASB Statement 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB 69 did not have a material effect on the Town's financial statements. The implementation of GASB 68 and 71 resulted in a prior period restatement of \$1,707,987.

The following pronouncements have been issued, but are not yet effective for the year ended June 30, 2015.

- GASB Statement No. 72, *Fair Value Measurement and Application*.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The Town is evaluating the effect that these statements will have in upcoming years.

**2. CASH AND INVESTMENTS**

***Deposits***

*Custodial Credit Risk - Deposits.* Custodial credit risk is, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name.

As of June 30, 2015, the Town's bank balance total of \$1,228,801 was exposed to credit risk in the amount of \$723,042 as follows:

Uninsured and collateral held by pledging bank's trust department not in the Town's name	\$ 441,039
Uninsured and uncollateralized	<u>282,003</u>
Total	<u>\$ 723,042</u>

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Town is required to collateralize an amount equal to one-half of the public money in excess of FDIC insurance at each financial institution. At June 30, 2015, FDIC insurance is limited to \$250,000 for time and savings deposits and \$250,000 for demand deposits at each financial institution.

The total balance in any single financial institution may at times exceed the FDIC coverage available to individual depositors. The Town is required to obtain from each bank that is a

depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

*Credit Risk.* The Town has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with a BBB+ or better rating, asset backed obligations with an AAA or better rating, or repurchase agreements.

### *Investments*

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town's investment policy allows only investments in the State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool (LGIP) is rated AAAM and is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Section 6-10-10 I through 6-10-10 P and Sections 6-10-10-1 A and E, NMSA 1978. The investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

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

LGIP does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in this pool is voluntary. The independent auditors' report, together with the financial statements, the accompanying notes to the financial statements, and the independent auditors' report on compliance and internal controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

*Interest Rate Risk* - Interest rate risk is the risk that interest rate variations may adversely affect the fair value of an investment. The LGIP's weighted average maturity at June 30, 2015 for (R) was 55 days and (F) was 78 days.



### 3. CAPITAL ASSETS

Governmental fund capital asset activity for the year was as follows:

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 257,449	\$ -	\$ -	\$ -	\$ 257,449
Construction in progress	<u>53,405</u>	<u>1,149,385</u>	<u>-</u>	<u>-</u>	<u>1,202,790</u>
<b>Total capital assets not being depreciated</b>	<u>310,854</u>	<u>1,149,385</u>	<u>-</u>	<u>-</u>	<u>1,460,239</u>
Capital assets being depreciated:					
Buildings, structures and improvements	2,014,987	-	-	-	2,014,987
Road equipment	568,023	186,340	-	-	754,363
Furniture, fixtures and equipment	199,262	5,679	-	-	204,941
Vehicles	596,674	70,734	(213,642)	32,817	486,583
Infrastructure	<u>6,440,993</u>	<u>550,156</u>	<u>-</u>	<u>(32,817)</u>	<u>6,958,332</u>
<b>Total capital assets being depreciated</b>	<u>9,819,939</u>	<u>812,909</u>	<u>(213,642)</u>	<u>-</u>	<u>10,419,206</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	264,366	55,118	-	-	319,484
Road equipment	511,732	29,406	-	-	541,138
Furniture, fixtures and equipment	155,237	15,493	-	-	170,730
Vehicles	379,333	54,050	(181,838)	1,969	253,514
Infrastructure	<u>1,052,333</u>	<u>262,468</u>	<u>-</u>	<u>(1,969)</u>	<u>1,312,832</u>
<b>Total accumulated depreciation</b>	<u>2,363,001</u>	<u>416,535</u>	<u>(181,838)</u>	<u>-</u>	<u>2,597,698</u>
<b>Total capital assets being depreciated, net</b>	<u>7,456,938</u>	<u>396,374</u>	<u>(31,804)</u>	<u>-</u>	<u>7,821,508</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 7,767,792</u>	<u>\$ 1,545,759</u>	<u>\$ (31,804)</u>	<u>\$ -</u>	<u>\$ 9,281,747</u>

Depreciation expense for the year ended June 30, 2015 was charged to the following functions:

General government	\$ 32,371
Public safety	52,596
Highways and streets	294,466
Culture and recreation	37,102
<b>Total Governmental Activities depreciation expense</b>	<u>\$ 416,535</u>

Enterprise fund capital asset activity for the year was as follows:

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
<b>Business-Type Activities:</b>					
Capital assets being depreciated:					
Waste Water System	\$ 7,611,278	\$ -	\$ -	\$ -	\$ 7,611,278
<b>Total capital assets being depreciated</b>	<u>7,611,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,611,278</u>
Less accumulated depreciation for:					
Waste Water System	<u>1,279,924</u>	<u>304,451</u>	<u>-</u>	<u>-</u>	<u>1,584,375</u>
<b>Total accumulated depreciation</b>	<u>1,279,924</u>	<u>304,451</u>	<u>-</u>	<u>-</u>	<u>1,584,375</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 6,331,354</u>	<u>\$ (304,451)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,026,903</u>

**4. LONG TERM OBLIGATIONS**

Long term liability activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
NMFA Edgewood 3	\$ 1,473,493	\$ -	\$ (73,828)	\$ 1,399,665	\$ 74,406
NMFA Edgewood 5	-	2,696,483	(24,987)	2,671,496	64,793
GO Bond	3,670,000	-	-	3,670,000	120,000
Compensated absences	111,491	30,987	(92,518)	49,960	49,960
	<u>\$ 5,254,984</u>	<u>\$ 2,727,470</u>	<u>\$ (191,333)</u>	<u>\$ 7,791,121</u>	<u>\$ 309,159</u>
Business Type Activities:					
RIP Loan	<u>\$ 353,942</u>	<u>\$ -</u>	<u>\$ (17,559)</u>	<u>\$ 336,383</u>	<u>\$ 18,086</u>

*Accrued Compensated Absences.* Employees accrue either eight or ten hours per month depending on if the employee has been with the Town less than or more than five years, respectively. The maximum number of annual leave hours which may be accrued is either 96 or 120 hours depending on if the employee has been with the Town less than or more than five years, respectively. Compensated absence balances have been liquidated within the general fund in prior years.

The Town received a loan in 2012 totaling \$1,637,195 from the New Mexico Finance Authority (NMFA). The loan requires variable annual principal payments ranging from \$54,919 to \$109,185 including interest at 2.98% and matures May 2031. A portion of the Town's Municipal Infrastructure Gross Receipts Tax has been pledged to pay the loan principal and interest. The loan is subject to an intercept agreement whereby the pledged gross receipts tax are paid directly to NMFA by the state distributing entity.

Loan debt service requirements to maturity are as follows:

Years ending June 30,	Principal	Interest	Total
2016	74,406	38,554	112,960
2017	75,168	37,765	112,933
2018	76,128	36,773	112,901
2019	77,299	35,562	112,861
2020	78,668	34,148	112,816
2021-2025	421,723	141,458	563,181
2026-2030	488,296	72,989	561,285
2031	107,977	4,017	111,994
	<u>\$ 1,399,665</u>	<u>\$ 401,266</u>	<u>\$ 1,800,931</u>

The Town obtained a Rural Infrastructure Program loan during 2010 in the amount of \$419,211, from the New Mexico Environment Department. The loan requires annual payments of \$28,178 including interest at 3% and matures March 2030. Loan debt service requirements to maturity are as follows:

<b>Years ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	18,086	10,092	28,178
2017	18,628	9,550	28,178
2018	19,188	8,990	28,178
2019	19,763	8,415	28,178
2020	20,356	7,822	28,178
2021-2025	111,316	29,574	140,890
2026-2030	129,046	11,844	140,890
	<u>\$ 336,383</u>	<u>\$ 86,287</u>	<u>\$ 422,670</u>

During 2014, the Town issued \$3,670,000 of Series 2014 General Obligation Bonds. Interest, with rates ranging from 1.3% to 5.0%, is due every February and August commencing February 2015 and principal is due each August commencing August 2015. The bonds are secured by ad valorem property tax and mature August 2034. Bond debt service requirements to maturity are as follows:

<b>Years ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	120,000	106,461	226,461
2017	135,000	105,636	240,636
2018	140,000	104,387	244,387
2019	150,000	102,593	252,593
2020	155,000	100,201	255,201
2021-2025	890,000	443,122	1,333,122
2026-2030	1,030,000	298,569	1,328,569
2031-2035	1,050,000	106,072	1,156,072
	<u>\$ 3,670,000</u>	<u>\$ 1,367,041</u>	<u>\$ 5,037,041</u>

The Town received a loan in 2015 totaling \$2,696,483 from the New Mexico Finance Authority (NMFA). The loan requires variable annual principal payments ranging from \$64,793 to \$144,922 including interest at 3.72% and matures May 2044. A portion of the Town's Municipal Infrastructure Gross Receipts Tax has been pledged to pay the loan principal and interest. The loan is subject to an intercept agreement whereby the pledged gross receipts tax are paid directly to NMFA by the state distributing entity.

Loan debt service requirements to maturity are as follows:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	64,793	86,216	151,009
2017	65,117	85,892	151,009
2018	65,579	85,430	151,009
2019	66,209	84,800	151,009
2020	67,016	83,992	151,008
2021-2025	353,355	401,686	755,041
2026-2030	400,380	354,662	755,042
2031-2035	472,684	282,358	755,042
2036-2040	570,490	184,554	755,044
2041-2044	545,873	58,162	604,035
	<u>\$ 2,671,496</u>	<u>\$ 1,707,752</u>	<u>\$ 4,379,248</u>

## 5. FUND BALANCES

Fund balance restrictions in the General Fund at June 30, 2015 consisted of the following:

Fire protection	<u>\$ 74,775</u>
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## 6. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. The Town has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insured Fund, a public entity risk pool that operates as a common risk management and insurance program for local governments. The Town pays an annual premium to the New Mexico Self-Insurers Fund for its general insurance coverage, and all risk of loss is transferred.

## 7. PERA PENSION PLAN

### Summary of Significant Accounting Policies

**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.

### General Information about the Pension Plan

**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, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the Town of Edgewood 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 FY14 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 FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to the Town of Edgewood are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the Town of Edgewood were \$128,163 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2015.

**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, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

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 Town of Edgewood’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, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 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.

**For PERA Fund Division Municipal General**, at June 30, 2015, the Town of Edgewood reported a liability of \$582,740 for its proportionate share of the net pension liability. At June 30, 2014, the (agency name)'s proportion was .0747 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town of Edgewood recognized PERA Fund Division Municipal General pension expense of \$24,347. At June 30, 2015, the Town of Edgewood reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	395
Net difference between projected and actual earnings on pension plan investments	-	227,983
Changes in proportion and differences between Town of Edgewood contributions and proportionate share of contributions	-	-
Town of Edgewood contributions subsequent to the measurement date	60,293	-
	<hr/>	<hr/>
Total	<u>\$ 60,293</u>	<u>\$ 228,378</u>

\$60,293 reported as deferred outflows of resources related to pensions resulting from Town of Edgewood contributions subsequent to the measurement date June 30, 2014 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:	
2016	\$ 57,094
2017	57,094
2018	57,094
2019	57,094
2020	2
Thereafter	-

**For PERA Fund Division Municipal Police**, at June 30, 2015, the Town of Edgewood reported a liability of \$664,692 for its proportionate share of the net pension liability. At June 30, 2014, the Town of Edgewood's proportion was .2039 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Town of Edgewood recognized PERA Fund Division Municipal Police pension expense of \$44,638. At June 30, 2015, the Town of Edgewood reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	53,996
Net difference between projected and actual earnings on pension plan investments	-	247,162
Changes in proportion and differences between Town of Edgewood contributions and proportionate share of contributions	-	-
Town of Edgewood contributions subsequent to the measurement date	114,488	-
	<hr/>	<hr/>
Total	<u>\$ 114,488</u>	<u>\$ 301,158</u>

\$114,488 reported as deferred outflows of resources related to pensions resulting from Town of Edgewood contributions subsequent to the measurement date June 30, 2014 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:	
2016	\$ 75,222
2017	75,222
2018	75,222
2019	75,222
2020	270
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, 2014 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, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actual valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based of statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75 % annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Included inflation at	3.00% annual rate

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	5.2
Private Equity	7	8.2
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5	4.8
Real Estate	5	5.3
Real Assets	7	5.7
Absolute Return	4	4.15
Total	100.00%	

**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 Town of Edgewood'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 Town of Edgewood's net pension liability in each PERA Fund Division that Town of Edgewood 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 Municipal General	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town of Edgewood's proportionate share of the net pension liability	\$ 1,098,596	\$ 582,740	\$ 184,217

PERA Fund Division Municipal Police	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Town of Edgewood's proportionate share of the net pension liability	\$ 1,267,568	\$ 664,692	\$ 214,532

**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.** Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

## **8. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN**

**Plan Description.** The Town contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the

statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Town's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$24,035, \$22,007 and \$18,538, respectively, which equal the required contributions for each year.

#### **9. CONSTRUCTION COMMITMENTS**

As of June 30, 2015, the Town has construction in progress totaling \$1,202,790 and has a remaining construction commitment of \$1,064,294 for construction of an animal control facility and police department. The construction is funded through the issuance of debt.

#### **10. RESTRICTED COMPONENT OF NET POSITION**

The government-wide statement of net position reports \$980,783 of restricted component of net position that is restricted by enabling legislation.

#### **11. TRANSFERS**

During the year ended June 30, 2015, the General Fund transferred \$200,662 to the Municipal Streets Fund, \$95,831 to the Capital Projects Fund, \$433,446 to the Police Fund, \$328,287 to nonmajor funds and \$342,384 to the Waste Water Fund to pay for fund expenditures. The Public Works fund transferred \$161,538 to Capital Projects Fund to reimburse for expenses paid for by Capital Projects Fund. The Wind Turbine Fund transferred 9,967 to the General Fund for a reimbursement. The Public Works Fund transferred the remaining balance after a project was complete totaling \$237,331 to the NMFA Loan 5 Program Fund. The Capital Projects Fund transferred \$375,265 to nonmajor funds for debt service. Also there were \$508 of transfers between nonmajor funds to transfer excess reserves for debt service.

#### **12. DEFICIT FUND BALANCE**

The Library fund had a deficit fund balance as of June 30, 2015 of \$9,607.

#### **13. RESTATEMENT**

During the year ended June 30, 2015, the Town adopted GASB 68 and 71. These statements require the recognition of a net pension liability for the unfunded pension liabilities as currently measured by the Public Employees Retirement Board. Prior year net position has been restated to recognize the change in accounting principle related to pensions by \$1,707,987.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**NONMAJOR FUNDS  
JUNE 30, 2015**

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**SPECIAL REVENUE FUNDS**

*Corrections.* To establish an additional source of funds for municipalities to offset the costs of corrections. The source of funds is a five-dollar fee which must be paid by all persons violating laws relating the operations of a motor vehicle. Authority is NMSA 339-3.

*Law Enforcement Protection.* To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

*Library.* To account for the receipts and expenditures related to the Library fund. Authority is by Town resolution.

*Recreation.* To account for revenues and expenditures relating to Town recreational facilities and programs. Financing is provided by cigarette taxes and federal and state grants. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15.

*Animal Shelter.* To account for the receipts and expenditures related to the Town animal shelter. Authority is by Town resolution.

*Veterans Memorial.* To account for the receipts and expenditures related to the Town's veterans memorial. Authority is by Town resolution.

*Buy a Brick.* To account for the receipts and expenditures related to the Town's Buy a Brick program. Authority is by Town resolution.

*Revitalization of Route 66.* To account for the receipts and expenditures related to the revitalization of Route 66. Authority is by Town resolution.

**CAPITAL PROJECTS FUNDS**

*Public Works.* To account for grants appropriations, and other receipts and expenditures related to the public works building. Authority is by Town resolution.

*Wind Turbine.* To account for the grants, appropriations, and other receipts and expenditures related to the wind turbine. Authority is by Town resolution.

**DEBT SERVICE FUNDS**

*Public Works Reserve.* To account for the required debt service reserve on the NMFA loan 3. Authority is by Town resolution.

*Public Works Intercept.* To account for the debt service on the NMFA loan 3. Authority is by Town resolution.

*NMFA Loan 5 Reserve.* To account for the required debt service reserve on the NMFA loan 5.

Authority is by Town resolution.

*NMFA Loan 5 Intercept.* To account for the debt service on the NMFA loan 5. Authority is by Town resolution.

*GO Bond.* To account for the debt service on the GO Bond. Authority is by Town resolution.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Corrections	Law Enforcement Protection	Library	Recreation	Animal Shelter	Veterans Memorial
<b>ASSETS</b>						
Cash and investments	\$ 72,153	\$ 13,171	\$ -	\$ 16,610	\$ 12,019	\$ 250
Receivables						
Taxes						
Gross receipts tax	-	-	-	-	-	-
Grants	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 72,153</b>	<b>\$ 13,171</b>	<b>\$ -</b>	<b>\$ 16,610</b>	<b>\$ 12,019</b>	<b>\$ 250</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 255	\$ -	\$ 7,225	\$ 3,351	\$ -	\$ -
Accrued compensation and benefits	-	-	2,382	585	-	-
<b>Total liabilities</b>	<b>255</b>	<b>-</b>	<b>9,607</b>	<b>3,936</b>	<b>-</b>	<b>-</b>
Fund balances:						
Restricted, reported in:						
Special revenue funds	71,898	13,171	(9,607)	12,674	12,019	250
Capital projects funds	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>71,898</b>	<b>13,171</b>	<b>(9,607)</b>	<b>12,674</b>	<b>12,019</b>	<b>250</b>
<b>Total liabilities and fund balances</b>	<b>\$ 72,153</b>	<b>\$ 13,171</b>	<b>\$ -</b>	<b>\$ 16,610</b>	<b>\$ 12,019</b>	<b>\$ 250</b>

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Buy a Brick	Public Works	Wind Turbine	PW Reserve	PW Intercept	NMFA Loan 5 Reserve
<b>ASSETS</b>						
Cash and investments	\$ 5,600	\$ -	\$ -	\$ 113,873	\$ 19,912	\$ 151,793
Receivables						
Taxes						
Gross receipts tax	-	-	-	-	-	-
Grants	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113,873</b>	<b>\$ 19,912</b>	<b>\$ 151,793</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,251	\$ -
Accrued compensation and benefits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,251</b>	<b>-</b>
Fund balances:						
Restricted, reported in:						
Special revenue funds	5,600	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service funds	-	-	-	113,873	16,661	151,793
<b>Total Fund Balance</b>	<b>5,600</b>	<b>-</b>	<b>-</b>	<b>113,873</b>	<b>16,661</b>	<b>151,793</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113,873</b>	<b>\$ 19,912</b>	<b>\$ 151,793</b>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	NMFA Loan 5 Intercept	GO Bond	Total Non-major
<b>ASSETS</b>			
Cash and investments	\$ 25,169	\$ 205,929	\$ 636,479
Receivables			
Taxes			
Property tax	-	3,440	3,440
Grants	-	-	-
	<u>25,169</u>	<u>209,369</u>	<u>639,919</u>
<b>Total assets</b>	<b>\$ 25,169</b>	<b>\$ 209,369</b>	<b>\$ 639,919</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 14,082
Accrued compensation and benefits	-	-	2,967
	<u>-</u>	<u>-</u>	<u>17,049</u>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>17,049</b>
 Fund balances:			
Restricted, reported in:			
Special revenue funds	-	-	106,005
Capital projects funds	-	-	-
Debt service funds	25,169	209,369	516,865
	<u>25,169</u>	<u>209,369</u>	<u>622,870</u>
<b>Total Fund Balance</b>	<b>25,169</b>	<b>209,369</b>	<b>622,870</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,169</b>	<b>\$ 209,369</b>	<b>\$ 639,919</b>

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Corrections	Law Enforcement Protection	Library	Recreation	Animal Shelter	Veterans Memorial
Revenues:						
Licenses, permits, fees and fines	\$ 11,292	\$ -	\$ -	\$ -	\$ -	\$ -
From non-federal sources						
Intergovernmental - State	-	24,800	49,632	-	-	-
Grants	-	-	-	-	517	-
Interest	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,292</b>	<b>24,800</b>	<b>49,632</b>	<b>-</b>	<b>517</b>	<b>-</b>
Expenditures:						
Current:						
Public safety	255	14,946	-	-	-	-
Culture and recreation	-	-	204,083	59,863	-	-
Capital outlay	-	-	-	-	5,424	-
Debt Service:						
Principal payments	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
<b>Total expenditures</b>	<b>255</b>	<b>14,946</b>	<b>204,083</b>	<b>59,863</b>	<b>5,424</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	11,037	9,854	(154,451)	(59,863)	(4,907)	-
Other financing sources (uses):						
Operating transfer in	-	-	137,641	72,664	-	-
Operating transfer out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>137,641</b>	<b>72,664</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	11,037	9,854	(16,810)	12,801	(4,907)	-
Fund balance - beginning of year	60,861	3,317	7,203	(127)	16,926	250
<b>Fund balance - end of year</b>	<b>\$ 71,898</b>	<b>\$ 13,171</b>	<b>\$ (9,607)</b>	<b>\$ 12,674</b>	<b>\$ 12,019</b>	<b>\$ 250</b>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Buy a Brick	Public Works	Wind Turbine	PW Reserve	PW Intercept	NMFA Loan 5 Reserve
Revenues:						
Licenses, permits, fees and fines	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From non-federal sources						
Intergovernmental - State	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Interest	-	104	-	924	5	784
<b>Total revenues</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>924</b>	<b>5</b>	<b>784</b>
Expenditures:						
Current:						
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal payments	-	-	-	-	73,828	-
Interest payments	-	-	-	-	39,152	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,980</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	104	-	924	(112,975)	784
Other financing sources (uses):						
Issuance of notes payable	-	-	-	-	-	151,009
Operating transfer in	-	-	-	-	113,487	-
Operating transfer out	-	(237,331)	(9,966)	(508)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(237,331)</b>	<b>(9,966)</b>	<b>(508)</b>	<b>113,487</b>	<b>151,009</b>
Net changes in fund balances	-	(237,227)	(9,966)	416	512	151,793
Fund balance - beginning of year	5,600	237,227	9,966	113,457	16,149	-
<b>Fund balance - end of year</b>	<b>\$ 5,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113,873</b>	<b>\$ 16,661</b>	<b>\$ 151,793</b>

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	NMFA Loan 5 Intercept	GO Bond	Total Non-major
Revenues:			
Taxes	\$ -	\$ 276,996	\$ 276,996
Licenses, permits, fees and fines	-	-	11,292
From non-federal sources			
Intergovernmental - State	-	-	74,432
Grants	-	-	517
Interest	1	-	1,818
<b>Total revenues</b>	<u>1</u>	<u>276,996</u>	<u>365,055</u>
Expenditures:			
Current:			
Public safety	-	-	15,201
Culture and recreation	-	-	263,946
Capital outlay	-	-	5,424
Debt Service:			
Principal payments	24,987	-	98,815
Interest payments	33,319	67,627	140,098
<b>Total expenditures</b>	<u>58,306</u>	<u>67,627</u>	<u>523,484</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(58,305)</u>	<u>209,369</u>	<u>(158,429)</u>
Other financing sources (uses):			
Issuance of notes payable	-	-	151,009
Operating transfer in	83,474	-	407,266
Operating transfer out	-	-	(247,805)
<b>Total other financing sources (uses)</b>	<u>83,474</u>	<u>-</u>	<u>310,470</u>
Net changes in fund balances	25,169	209,369	152,041
Fund balance - beginning of year	-	-	470,829
<b>Fund balance - end of year</b>	<u>\$ 25,169</u>	<u>\$ 209,369</u>	<u>\$ 622,870</u>

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

**CORRECTIONS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON**  
**BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

---

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Licenses, permits, fees and fines	\$ 15,000	\$ 15,000	\$ 11,292	\$ (3,708)
Expenditures:				
Public safety	9,263	9,263	-	9,263
Net change in fund balance	5,737	5,737	11,292	5,555
Fund balance - beginning of year	60,861	60,861	60,861	-
<b>Fund balance - end of year</b>	<b>\$ 66,598</b>	<b>\$ 66,598</b>	<b>\$ 72,153</b>	<b>\$ 5,555</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 11,292	
Net revenue accruals			-	
Net expenditure accruals			(255)	
Net changes in fund balance GAAP basis			<u>\$ 11,037</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**LAW ENFORCEMENT PROTECTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
Revenues:				
Intergovernmental - State	\$ 24,800	\$ 24,800	\$ 24,800	\$ -
Expenditures:				
Current:				
Public safety	28,117	28,117	14,946	13,171
<b>Total expenditures</b>	<b>28,117</b>	<b>28,117</b>	<b>14,946</b>	<b>13,171</b>
Net change in fund balances	(3,317)	(3,317)	9,854	(13,171)
Fund balance - beginning of year	3,317	3,317	3,317	-
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,171</b>	<b>\$ (13,171)</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 9,854	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ 9,854</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**LIBRARY FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	49,632	49,632	49,632	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>49,632</u>	<u>49,632</u>	<u>49,632</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	203,219	207,021	203,784	3,237
<b>Total expenditures</b>	<u>203,219</u>	<u>207,021</u>	<u>203,784</u>	<u>3,237</u>
Excess (deficiency) of revenues over expenditures	<u>(153,587)</u>	<u>(157,389)</u>	<u>(154,152)</u>	<u>3,237</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	137,641	141,443	137,641	(3,802)
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>137,641</u>	<u>141,443</u>	<u>137,641</u>	<u>(3,802)</u>
Net changes in fund balances	(15,946)	(15,946)	(16,511)	(565)
Restricted cash - beginning of year	16,511	16,511	16,511	-
<b>Fund balance - end of year</b>	<u>\$ 565</u>	<u>\$ 565</u>	<u>\$ -</u>	<u>\$ (565)</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ (16,511)	
Change in:				
Accounts receivable			-	
Accounts payable			230	
Impact fee deposits			-	
Accrued compensation and benefits			(529)	
Net changes in fund balance GAAP basis			<u>\$ (16,810)</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	1,200	1,200	-	(1,200)
<b>Total revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	78,259	78,259	60,449	17,810
<b>Total expenditures</b>	<u>78,259</u>	<u>78,259</u>	<u>60,449</u>	<u>17,810</u>
Excess (deficiency) of revenues over expenditures	<u>(77,059)</u>	<u>(77,059)</u>	<u>(60,449)</u>	<u>16,610</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	72,664	72,664	72,664	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>72,664</u>	<u>72,664</u>	<u>72,664</u>	<u>-</u>
Net changes in fund balances	(4,395)	(4,395)	12,215	16,610
Fund balance - beginning of year	-	-	(127)	-
Restricted cash - beginning of year	4,395	4,395	-	-
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,088</u>	<u>\$ 16,610</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ 12,215	
Change in:				
Accounts payable			692	
Impact fee deposits			(106)	
Accrued compensation and benefits			-	
Net changes in fund balance GAAP basis			<u>\$ 12,801</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**ANIMAL SHELTER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	4,550	4,550	517	(4,033)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>4,550</u>	<u>4,550</u>	<u>517</u>	<u>(4,033)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	5,424	5,424	-
<b>Total expenditures</b>	<u>-</u>	<u>5,424</u>	<u>5,424</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,550</u>	<u>(874)</u>	<u>(4,907)</u>	<u>(4,033)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	4,550	(874)	(4,907)	(4,033)
Fund balance - beginning of year	<u>14,902</u>	<u>14,902</u>	<u>16,926</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 19,452</u>	<u>\$ 14,028</u>	<u>\$ 12,019</u>	<u>\$ (4,033)</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ (4,907)	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued compensation and benefits			-	
Net changes in fund balance GAAP basis			<u>\$ (4,907)</u>	

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**VETERANS MEMORIAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	250	250	-	(250)
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	250	250	-	(250)
Fund balance - beginning of year	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 250</u>	<u>\$ (250)</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ -	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued compensation and benefits			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**BUY A BRICK FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
Fund balance - beginning of year	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 5,600</u>	<u>\$ 5,600</u>	<u>\$ 5,600</u>	<u>\$ -</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ -	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued compensation and benefits			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**PUBLIC WORKS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	104	104
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>104</u>	<u>104</u>
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>104</u>	<u>104</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(9,966)</u>	<u>(9,966)</u>	<u>(237,331)</u>	<u>(227,365)</u>
<b>Total other financing sources (uses)</b>	<u>(9,966)</u>	<u>(9,966)</u>	<u>(237,331)</u>	<u>(227,365)</u>
Net changes in fund balances	(9,966)	(9,966)	(237,227)	(227,261)
Fund balance - beginning of year	<u>409,462</u>	<u>409,462</u>	<u>237,227</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 399,496</u>	<u>\$ 399,496</u>	<u>\$ -</u>	<u>\$ (227,261)</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ (237,227)	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Accrued interest			-	
Net changes in fund balance GAAP basis			<u>\$ (237,227)</u>	

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

WIND TURBINE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(9,966)	(9,966)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(9,966)</u>	<u>(9,966)</u>
Net changes in fund balances	-	-	(9,966)	(9,966)
Fund balance - beginning of year	<u>9,966</u>	<u>9,966</u>	<u>9,966</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 9,966</u>	<u>\$ 9,966</u>	<u>\$ -</u>	<u>\$ (9,966)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (9,966)	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Transfers for accrual entries			-	
Accrued compensation and benefits			-	
Net changes in fund balance GAAP basis			<u>\$ (9,966)</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**PW RESERVE FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	-
Grants	-	-	-	-
Interest	-	-	924	924
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total revenue</b>	-	-	924	924
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Debt service	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	-	-	924	924
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(508)	(508)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total other financing sources (uses)</b>	-	-	(508)	(508)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	416	416
Fund balance - beginning of year	113,297	113,297	113,457	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance - end of year	113,297	113,297	\$ 113,873	\$ 416
	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 416	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<hr/>	
			\$ 416	

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

**PW INTERCEPT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 112,980	\$ 112,980	\$ -	\$ (112,980)
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	5	5
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>112,980</u>	<u>112,980</u>	<u>5</u>	<u>(112,975)</u>
Expenditures:				
Principal payments	73,828	73,828	73,828	-
Interest payments	39,152	39,152	39,152	-
<b>Total expenditures</b>	<u>112,980</u>	<u>112,980</u>	<u>112,980</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(112,975)</u>	<u>(112,975)</u>
Other financing sources (uses):				
Operating transfers in	-	-	113,487	113,487
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>113,487</u>	<u>113,487</u>
Net changes in fund balances	-	-	512	512
Fund balance - beginning of year	<u>16,149</u>	<u>16,149</u>	<u>16,149</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 16,149</u>	<u>\$ 16,149</u>	<u>\$ 16,661</u>	<u>\$ 512</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 512	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued interest			-	
Net changes in fund balance GAAP basis			<u>\$ 512</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**NMFA LOAN 5 RESERVE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	784	784
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>784</u>	<u>784</u>
<b>Expenditures:</b>				
Principal payments	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>784</u>	<u>784</u>
<b>Other financing sources (uses):</b>				
Issuance of notes payable	-	-	151,009	151,009
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>151,009</u>	<u>151,009</u>
Net changes in fund balances	-	-	151,793	151,793
Fund balance - beginning of year	<u>15,808</u>	<u>15,808</u>	<u>-</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 15,808</u>	<u>\$ 15,808</u>	<u>\$ 151,793</u>	<u>\$ 151,793</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ 151,793	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued interest			-	
Net changes in fund balance GAAP basis			<u>\$ 151,793</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**NMFA LOAN 5 INTERCEPT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ 83,474	\$ -	\$ (83,474)
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	1	1
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>83,474</u>	<u>1</u>	<u>(83,473)</u>
<b>Expenditures:</b>				
Principal payments	-	35,786	24,987	10,799
Interest payments	-	47,688	33,319	14,369
<b>Total expenditures</b>	<u>-</u>	<u>83,474</u>	<u>58,306</u>	<u>25,168</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(58,305)</u>	<u>(58,305)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	83,474	83,474
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>83,474</u>	<u>83,474</u>
Net changes in fund balances	-	-	25,169	25,169
Fund balance - beginning of year	-	-	-	-
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,169</u>	<u>\$ 25,169</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ 25,169	
Change in:				
Accounts receivable			-	
Accounts payable			-	
Impact fee deposits			-	
Accrued interest			-	
Net changes in fund balance GAAP basis			<u>\$ 25,169</u>	

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**GO BOND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 67,627	\$ 273,556	\$ 273,556	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>67,627</u>	<u>273,556</u>	<u>273,556</u>	<u>-</u>
<b>Expenditures:</b>				
Principal payments	-	-	-	-
Interest payments	<u>67,627</u>	<u>67,627</u>	<u>67,627</u>	<u>-</u>
<b>Total expenditures</b>	<u>67,627</u>	<u>67,627</u>	<u>67,627</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>205,929</u>	<u>205,929</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	205,929	205,929	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ 205,929</u>	<u>\$ 205,929</u>	<u>\$ -</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ 205,929	
Change in:				
Accounts receivable			3,440	
Accounts payable			-	
Impact fee deposits			-	
Accrued interest			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ 209,369</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**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, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ 414,646	\$ 414,646	\$ 573,921	\$ 159,275
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	545,774	318,616	318,617	1
Interest	-	-	2,422	2,422
Grant	-	-	-	-
Miscellaneous	75,000	75,000	-	(75,000)
<b>Total revenues</b>	<u>1,035,420</u>	<u>808,262</u>	<u>894,960</u>	<u>86,698</u>
<b>Expenditures:</b>				
Highways and streets	-	-	3,835	(3,835)
Capital outlay	4,260,581	3,847,820	1,170,035	2,677,785
<b>Total expenditures</b>	<u>4,260,581</u>	<u>3,847,820</u>	<u>1,173,870</u>	<u>2,673,950</u>
Excess (deficiency) of revenues over expenditures	<u>(3,225,161)</u>	<u>(3,039,558)</u>	<u>(278,910)</u>	<u>2,760,648</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	95,831	95,831
Operating transfers out	-	(9,966)	(375,265)	(365,299)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(9,966)</u>	<u>(279,434)</u>	<u>(269,468)</u>
Net changes in fund balances	(3,225,161)	(3,049,524)	(558,344)	2,491,180
Fund balance - beginning of year	22,993	22,993	3,691,092	-
<b>Fund balance - end of year</b>	<u>\$ (3,202,168)</u>	<u>\$ (3,026,531)</u>	<u>\$ 3,132,748</u>	<u>\$ 2,491,180</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ (558,344)	
Change in:				
Accounts receivable			(65,148)	
Accounts payable			(41,161)	
Issuance of bonds			-	
Accrued interest			-	
Net changes in fund balance GAAP basis			<u>\$ (664,653)</u>	

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**NMFA LOAN 5 PROGRAM FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, fees and fines	-	-	-	-
Intergovernmental - State	-	-	-	-
Interest	-	-	1,281	1,281
Grant	-	-	-	-
Miscellaneous	-	2,621,483	-	(2,621,483)
<b>Total revenues</b>	<u>-</u>	<u>2,621,483</u>	<u>1,281</u>	<u>(2,620,202)</u>
<b>Expenditures:</b>				
Capital outlay	-	2,734,799	583,121	2,151,678
<b>Total expenditures</b>	<u>-</u>	<u>2,734,799</u>	<u>583,121</u>	<u>2,151,678</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(113,316)</u>	<u>(581,840)</u>	<u>(468,524)</u>
<b>Other financing sources (uses):</b>				
Issuance of notes payable	-	-	2,525,250	2,525,250
Operating transfers in	-	-	237,331	237,331
Operating transfers out	-	-	(76,902)	(76,902)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>2,685,679</u>	<u>2,685,679</u>
Net changes in fund balances	-	(113,316)	2,103,839	2,217,155
Fund balance - beginning of year	-	-	-	-
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ (113,316)</u>	<u>\$ 2,103,839</u>	<u>\$ 2,217,155</u>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Net changes in fund balance budgetary basis			\$ 2,103,839	
<b>Change in:</b>				
Accounts receivable			-	
Accounts payable			-	
Issuance of notes payable			-	
Net changes in fund balance GAAP basis			<u>\$ 2,103,839</u>	

See accompanying notes to financial statements and independent auditors' report.

**PROPRIETARY FUNDS**

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

PROPRIETARY FUND - WASTE WATER  
STATEMENT OF REVENUES AND EXPENSES  
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
Operating revenues	\$ 19,950	\$ 29,429	\$ 29,429	\$ -
Operating expenses	222,573	452,202	424,024	28,178
Operating loss	(202,623)	(422,773)	(394,595)	28,178
Non-operating expenses: Interest expense	-	-	10,619	(10,619)
Deficiency of revenues over expenditures	(202,623)	(422,773)	(405,214)	17,559
Other financing sources Operating transfers in	202,623	422,772	422,771	(1)
Net change in fund balance	-	(1)	17,557	17,558
Fund balance, beginning of year	5,954,498	5,954,498	5,954,498	-
<b>Fund balance, end of year</b>	<b>\$ 5,954,498</b>	<b>\$ 5,954,497</b>	<b>\$ 5,972,055</b>	<b>\$ 17,558</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 17,557	
Net revenue accruals			-	
Net expenditure accruals			(21,357)	
Depreciation			(304,451)	
Principal payments on debt			-	
Net changes in fund balance GAAP basis			<u>\$ (308,251)</u>	

See accompanying notes to financial statements and independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF THE TOWN OF EDGEWOOD'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL GENERAL  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
LAST 10 FISCAL YEARS\***

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	<b>2015</b>
Town of Edgewood's proportion of the net pension liability	.0747%
Town of Edgewood's proportionate share of the net pension liability	\$582,740
Town of Edgewood's covered-employee payroll	\$576,697
Town of Edgewood's proportionate share of net pension liability as a percentage of its covered-employee payroll	101%
Plan fiduciary net position as a percentage of the total pension liability	81%

\*The amounts presented were determined as of June 30. 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 of Edgewood will present information for those years for which information is available.

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF THE TOWN OF EDGEWOOD'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL POLICE  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
LAST 10 FISCAL YEARS\***

---

	<b>2015</b>
Town of Edgewood's proportion of the net pension liability	.2039%
Town of Edgewood's proportionate share of the net pension liability	\$664,692
Town of Edgewood's covered-employee payroll	\$514,173
Town of Edgewood's proportionate share of net pension liability as a percentage of its covered-employee payroll	129%
Plan fiduciary net position as a percentage of the total pension liability	81%

\*The amounts presented were determined as of June 30. 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 of Edgewood will present information for those years for which information is available.

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF THE TOWN OF EDGEWOOD'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA FUND DIVISION MUNICIPAL GENERAL  
LAST 10 FISCAL YEARS\***

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	<b>2015</b>
Contractually required contributions	\$ 60,293
Contributions in relation to the contractually required contribution	<u>60,293</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town of Edgewood's covered-employee payroll	\$ 576,697
Contributions as a percentage of covered employee payroll	10.45%

\*The amounts presented were determined as of June 30. 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 of Edgewood will present information for those years for which information is available.

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF THE TOWN OF EDGEWOOD'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA FUND DIVISION MUNICIPAL POLICE  
LAST 10 FISCAL YEARS\***

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	<b>2015</b>
Contractually required contributions	\$ 114,488
Contributions in relation to the contractually required contribution	<u>114,488</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town of Edgewood's covered-employee payroll	\$ 514,173
Contributions as a percentage of covered employee payroll	22.23%

\*The amounts presented were determined as of June 30. 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 of Edgewood will present information for those years for which information is available.

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015**

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*Changes of benefit terms.* The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.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/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%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 evaluation. 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.

**OTHER SUPPLEMENTAL INFORMATION**

**FIDUCIARY FUNDS**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<b>Balance June 30, 2014</b>	<b>Increase/ Receipts</b>	<b>Decrease/ Disbursements</b>	<b>Balance June 30, 2015</b>
<b>IMPACT FEE FUND</b>				
Assets:				
Cash	\$ 14,285	\$ 19,530	\$ 17,747	\$ 16,068
<b>Total assets</b>	<b>\$ 14,285</b>	<b>\$ 19,530</b>	<b>\$ 17,747</b>	<b>\$ 16,068</b>
Liabilities:				
Due to other entities	\$ 14,285	\$ 19,530	\$ 17,747	\$ 16,068
<b>Total liabilities</b>	<b>\$ 14,285</b>	<b>\$ 19,530</b>	<b>\$ 17,747</b>	<b>\$ 16,068</b>

See accompanying notes to financial statements and independent auditors' report.

STATE OF NEW MEXICO  
TOWN OF EDGEWOOD

SCHEDULE OF DEPOSIT ACCOUNTS  
JUNE 30, 2015

Financial Institution/ Account Description	Type of Account	Financial Institution Balance	Reconciling Items	Reconciled Balance
<b><i>Wells Fargo Bank</i></b>				
General Pooled Cash	Non-interest bearing checking	\$ 954,767	\$ (43,365)	\$ 911,402
Certificate of Deposit	CD	250,449	-	250,449
<b><i>Bank of the West</i></b>				
Certificate of Deposit	CD	5,759	-	5,759
		1,210,975	(43,365)	1,167,610
Petty Cash		100	-	100
Total deposits - non-agency		1,211,075	(43,365)	1,167,710
<b><i>NM State Treasurer</i></b>				
Local Gov't Investment Pool	Investment	484	-	484
<b><i>New Mexico Finance Authority</i></b>				
GO Bond Program Funds	Investment	2,750,854	-	2,750,854
NMFA 5 Program Fund	Investment	2,103,839	-	2,103,839
NMFA 5 Reserve Fund	Investment	151,793	-	151,793
NMFA 5 Intercept	Investment	25,169	-	25,169
NMFA 3 Reserve	Investment	113,873	-	113,873
NMFA 3 Intercept	Investment	19,912	-	19,912
Total investments		5,165,924	-	5,165,924
<b>Total deposit and investment accounts- non-agency</b>		<b>\$ 6,376,999</b>	<b>\$ (43,365)</b>	<b>\$ 6,333,634</b>
<b>Agency Fund Cash Account</b>				
<b><i>Wells Fargo Bank</i></b>				
Impact Fee Account	Non-interest bearing checking	\$ 17,826	\$ (1,758)	\$ 16,068

See accompanying notes to financial statements and independent auditors' report.

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF PLEDGED COLLATERAL  
JUNE 30, 2015**

	Wells Fargo	Bank of the West	Total
Deposits at June 30, 2015	\$ 1,223,042	\$ 5,759	\$ 1,228,801
Less: FDIC coverage	<u>500,000</u>	<u>5,759</u>	<u>505,759</u>
Uninsured public funds	723,042	-	723,042
Pledged collateral held by the pledging bank's trust department or agent but not in the Town's name	<u>441,039</u>	<u>-</u>	<u>441,039</u>
Uninsured and uncollateralized	<u>\$ 282,003</u>	<u>\$ -</u>	<u>\$ 282,003</u>
50% pledged collateral requirement per statute	\$ 361,521		
Total pledged collateral	<u>441,039</u>		
Pledged collateral exceeding the requirements	<u>\$ 79,518</u>		

Pledged collateral at June 30, 2015 consists of the following:

Security	CUSIP	Maturity	Market Value
FNMA FNMS 4%	3138EG3M4	9/1/41	\$ 6,851
FNMA FNMS 3%	3138M0XJ4	8/1/42	8,464
FNMA FNMS 3.5%	3138MFP27	10/1/42	109,272
FNMA FNMS 3%	3138MQ7J6	12/1/42	1,173
FNMA FNMS 3%	3138MQEK5	2/1/43	170,409
FNMA FNMS 3%	3138W6PV2	5/1/43	5,366
FNMA FNMS 3.5%	3138WWBH1	8/1/43	87,395
FNMA FNMS 3.5%	3138X0A24	7/1/43	<u>52,109</u>
Total			<u>\$ 441,039</u>

The custodian of the pledged securities for Wells Fargo Bank is Wells Fargo Bank Safekeeping/Custodial Services in San Francisco, California.

See accompanying notes to financial statements and independent auditors' report.



**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2015**

<b>Joint Powers Agreement</b>	<b>Participant</b>	<b>Responsible Party</b>	<b>Description</b>	<b>Beginning and Ending Dates</b>	<b>Total estimated project amount and amount applicable to Town</b>	<b>Amount Contributed by Town during fiscal year</b>	<b>Audit Responsibility</b>	<b>Fiscal agent and responsible reporting entity</b>
Emergency Services	County of Santa Fe Town of Edgewood	County of Santa Fe	Provision of emergency medical services, fire suppression, rescue services, communications and fire prevention	02/08/00, until cancelled	1/3 of the Town's Shared Gross Receipts Tax Receipts	\$302,176	Santa Fe County	Santa Fe County
Regional Emergency Communications Center	County of Santa Fe Town of Edgewood	County of Santa Fe	Jointly operate, maintain and administer the Santa Fe Regional Emergency Communications Center to provide emergency 911 telephone access for residents	10/11/2006 until cancelled	\$75,000 per year \$20,000 in capital expenditures in year one	\$75,000	Santa Fe County	Santa Fe County

See accompanying notes to financial statements and independent auditors' report.

**OTHER INFORMATION**

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000  
(EXCLUDING GRT)  
FOR THE YEAR ENDED JUNE 30, 2015**

Prepared by Agency Staff Name: Estefanie Muller Title: Clerk-Treasurer Date: 11/3/15

RFB# / RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
1	Request for proposal	Robles, Rael, Anaya	\$104,184	N/A	Robles, Rael, Anaya 500 Marquette, N.W. Ste. 700 Albuquerque, NM 87102	Y	N	Legal consulting, drafting documents, attending meetings
					Barela-Gutierrez Law Firm P.O. Box 3007 Corrales, NM 87048	Y	N	
					Law & Resources Planning Associates 201 Third Street, N.W. Ste. 1750 Albuquerque, NM 87102	Y	N	
2	Request for proposal	Moriarty Concrete	\$78,933	N/A	Moriarty Concrete P.O. Box 250 Moriarty, NM 87035	Y	N	Base Course, crusher fines as needed for Town Road Projects
					VULCAN 1500 Renaissance N.E., Suite B Albuquerque, NM 87107	Y	N	
3	Request for proposal	AnchorBuilt Construction	\$1,962,500	N/A	AnchorBuilt Construction P.O. Box 27688 Albuquerque, NM 87125	Y	N	Construction of Animal Control Facility and Police Department
					Insight Construction 3909 12th St. N.W. Albuquerque, NM 87107	Y	N	
					Gerald Martin 4901 McLeod Rd. N.E. Albuquerque, NM 87109	Y	N	
2014-03	Request for proposal	EPCOR	\$79,704	N/A	EPCOR PO Box 80037 Prescott, AZ, 86304 (Corporate)	Y	N	Asset management plan

See accompanying notes to financial statements and independent auditors' report.

**COMPLIANCE SECTION**

**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**

Mr. Timothy Keller, State Auditor and  
Mayor and The Town Council  
Town of Edgewood, New Mexico

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Town as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Town, presented as supplemental information, and have issued my report thereon dated November 25, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, of the financial statements, I considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Purpose of this Report**

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

Watts CPA, P.C.

El Paso, Texas  
November 25, 2015

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2015**

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**CURRENT YEAR FINDINGS:**

None

**STATUS OF PRIOR YEAR FINDINGS**

None

**STATE OF NEW MEXICO  
TOWN OF EDGEWOOD**

**EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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An exit conference was conducted on November 6, 2015 with the following individuals in attendance:

**Town of Edgewood Officials**

Brad Hill	Mayor
John Abrams	Mayor Pro Tem
Steve Shepherd	Administrator
Estefanie Muller	Clerk - Treasurer
Dora Garcia	Finance Specialist

**Watts CPA, P.C.**

Brad Watts	Shareholder
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**Financial Statement Preparation**

The financial statements were prepared by Watts CPA, P.C. from the books and records of the Town of Edgewood. However, the contents of these financial statements remain the responsibility of the Town's management.