

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

VILLAGE OF BOSQUE FARMS, NEW MEXICO

Financial Statements, Supplementary Information
and
Independent Auditors' Report

June 30, 2015

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VILLAGE OF BOSQUE FARMS, NEW MEXICO

List of Principal Officials

June 30, 2015

Elected Officials

Robert G. Knowlton	Mayor
Wayne Ake	Mayor Pro-Tem
William Kennedy	Councilor
Dolly Wallace	Councilor
Russell Walkup	Councilor

Administrative Officials

Gayle Jones	Clerk/Administrator
Deborah Kelly	Treasurer

Independent Auditor's Report

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Robert G. Knowlton, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison for the general fund of the Village of Bosque Farms, New Mexico (Village), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds and the budgetary comparisons for the major enterprise funds and 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Robert G. Knowlton, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedules required by Section 2.2.2 NMAC, as listed in the Supplementary Information – Supporting Schedules section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Robert G. Knowlton, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

The schedules required by 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 our opinion, the schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vendor Information for Purchases Exceeding \$60,000 as listed in the Supplementary Information – Other Schedules section of the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government auditing standards*, we have also issued our report dated December 2, 2015, 2015 on our consideration of the Village’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control over financial reporting and compliance.



Albuquerque, New Mexico
December 2, 2015

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,254,859	646,435	2,901,294
Receivables:			
Taxes:			
Gross receipts	202,861	-	202,861
Gasoline	6,731	-	6,731
Motor vehicle	2,658	-	2,658
Property	18,429	-	18,429
Franchise	27,077	-	27,077
Grants	16,682	-	16,682
Accounts receivable, net of allowance	-	134,561	134,561
Restricted cash	-	671,414	671,414
Capital assets, not depreciated	600,841	1,543,336	2,144,177
Capital assets, net of accumulated depreciation	3,979,209	10,259,446	14,238,655
	<hr/>	<hr/>	<hr/>
Total assets	7,109,347	13,255,192	20,364,539
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	134,946	18,675	153,621
LIABILITIES			
Accounts payable	13,542	2,654	16,196
Accrued compensation and benefits	28,936	5,902	34,838
Interest payable	-	9,863	9,863
Deposits payable	-	45,875	45,875
Compensated absences, due in one year	24,000	5,372	29,372
Compensated absences, due in more than one year	25,357	-	25,357
Long-term liabilities, due in one year	-	53,320	53,320
Long-term liabilities, due in more than one year	-	1,497,910	1,497,910
Net pension liability	1,256,423	173,874	1,430,297
	<hr/>	<hr/>	<hr/>
Total liabilities	1,348,258	1,794,770	3,143,028
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	541,255	74,903	616,158
NET POSITION			
Net investment in capital assets	4,580,050	10,251,552	14,831,602
Restricted for debt service	-	581,793	581,793
Unrestricted	774,730	570,849	1,345,579
	<hr/>	<hr/>	<hr/>
Total net position	\$ 5,354,780	11,404,194	16,758,974

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 608,359	69,080	770,916	-	231,637	-	231,637
Public safety	1,688,675	12,355	149,407	-	(1,526,913)	-	(1,526,913)
Highways and streets	276,379	-	-	26,810	(249,569)	-	(249,569)
Culture and recreation	200,909	-	9,580	-	(191,329)	-	(191,329)
Total governmental activities	<u>2,774,322</u>	<u>81,435</u>	<u>929,903</u>	<u>26,810</u>	<u>(1,736,174)</u>	<u>-</u>	<u>(1,736,174)</u>
Business-type activities							
Waste Water	858,075	628,396	-	-	-	(229,679)	(229,679)
Water	526,231	576,200	-	-	-	49,969	49,969
Total business-type activities	<u>1,384,306</u>	<u>1,204,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,710)</u>	<u>(179,710)</u>
Total primary government	<u>\$ 4,158,628</u>	<u>1,286,031</u>	<u>929,903</u>	<u>26,810</u>	<u>(1,736,174)</u>	<u>(179,710)</u>	<u>(1,915,884)</u>
General Revenues:							
Franchise taxes					108,490	-	108,490
Gasoline taxes					38,043	-	38,043
Gross receipts taxes					1,209,405	-	1,209,405
Property taxes					177,129	-	177,129
Motor vehicle registrations					25,086	-	25,086
EMS taxes					35,400	-	35,400
Other					79,727	412	80,139
Interest					1,885	3,088	4,973
Loan forgiveness					-	93,259	93,259
Joint power agreement payments					180,000	-	180,000
Severance tax appropriations					22,945	-	22,945
Transfers					130,532	(130,532)	-
Total general revenues and transfers					<u>2,008,642</u>	<u>(33,773)</u>	<u>1,974,869</u>
Change in net position					<u>272,468</u>	<u>(213,483)</u>	<u>58,985</u>
Net position, beginning of year					6,773,561	11,856,391	18,629,952
Restatement					(1,724,970)	(238,714)	(1,963,684)
Net position, beginning of year, as restated					<u>5,048,591</u>	<u>11,617,677</u>	<u>16,666,268</u>
Net position, end of year					<u>\$ 5,321,059</u>	<u>11,404,194</u>	<u>16,725,253</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 1,837,573	417,286	2,254,859
Receivables:			
Taxes:			
Gross receipts	193,053	9,808	202,861
Gasoline	-	6,731	6,731
Motor vehicle	2,658	-	2,658
Property	18,429	-	18,429
Franchise	27,077	-	27,077
Grants	-	16,682	16,682
	<hr/>	<hr/>	<hr/>
Total assets	\$ 2,078,790	450,507	2,529,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	13,542	13,542
Accrued compensation and benefits	28,936	-	28,936
Unearned revenue	-	33,190	33,190
	<hr/>	<hr/>	<hr/>
Total liabilities	28,936	46,732	75,668
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	13,517	-	13,517
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Restricted for:			
Special revenue funds	-	225,124	225,124
Committed reported in:			
General fund	181,305	-	181,305
Assigned to:			
Special revenue funds	-	178,651	178,651
Unassigned:			
General fund	1,855,032	-	1,855,032
	<hr/>	<hr/>	<hr/>
Total fund balances	2,036,337	403,775	2,440,112
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 2,078,790	450,507	2,529,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2015

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

Total fund balance - governmental funds	\$ 2,440,112
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,580,050
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	13,517
Accrued compensated absences not payable from current revenues.	(49,357)
Deferred revenue is recorded as income under the accrual method, and not the modified accrual method.	33,190
Long-term liabilities, including the net pension liability, are not and payable in the current period and, therefore are not reported in the governmental fund.	(1,256,423)
Deferred outflows of resources related to pension are not due and payable in the current period and, therefore, are not reported in the governmental funds.	134,946
Deferred inflows of resources related to pensions are not received in the current period and, therefore, are not reported in the governmental funds.	<u>(541,255)</u>
Net position - governmental activities	<u><u>\$ 5,354,780</u></u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2015**

	General	Nonmajor Governmental Funds	Total
Revenues			
Taxes	\$ 1,499,694	98,387	1,598,081
Licenses, permits, fees, and fines	69,080	12,355	81,435
From federal sources:			
Grants	23,109	-	23,109
From non-federal sources:			
Grants	20,426	142,262	162,688
Intergovernmental	917,726	-	917,726
Interest	1,300	585	1,885
Other	79,727	-	79,727
Total revenues	2,611,062	253,589	2,864,651
Expenditures			
Current			
General government	555,236	98	555,334
Public safety	1,416,650	99,794	1,516,444
Highways and streets	156,542	3,448	159,990
Culture and recreation	179,138	2,140	181,278
Capital outlay	20,460	91,770	112,230
Total expenditures	2,328,026	197,250	2,525,276
Deficiency of revenues over expenditures before other financings sources	283,036	56,339	339,375
Other Financing Sources (Uses)			
Severance tax appropriation	-	22,945	22,945
Operating transfers in	242,032	6,074	248,106
Operating transfers out	(57,574)	(60,000)	(117,574)
Total other financing sources (uses)	184,458	(30,981)	153,477
Net change in fund balances	467,494	25,358	492,852
Fund balance, beginning of year	1,568,843	378,417	1,947,260
Fund balance, end of year	\$ 2,036,337	403,775	2,440,112

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

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

Net changes in fund balances - governmental funds \$ 492,852

Governmental funds report capital outlay 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 depreciation expense exceeded capital outlay in the current period.

Depreciation expense	(382,991)	
Capital outlay	112,230	
Excess of depreciation over capital outlay		(270,761)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (4,528)

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. (6,802)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in deferred outflows of resources related to pensions	134,946
Change in deferred inflows of resources related to pensions	(72,708)

Change in net position - governmental activities \$ 306,189

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 1,475,550	1,475,550	1,508,258	32,708
Licenses, permits, fees, and fines	98,850	107,317	69,080	(38,237)
Grants	66,024	72,693	49,260	(23,433)
Intergovernmental	350,000	350,000	917,726	567,726
Interest	643	643	1,300	657
Other	224,577	228,077	79,727	(148,350)
Total revenues	2,215,644	2,234,280	2,625,351	391,071
Expenditures				
General government	521,803	525,390	523,974	1,416
Public safety	1,473,461	1,473,461	1,416,650	56,811
Highways and streets	193,931	193,931	156,542	37,389
Culture and recreation	215,215	219,640	179,138	40,502
Capital outlay	100,154	100,154	54,181	45,973
Total expenditures	2,504,564	2,512,576	2,330,485	182,091
Deficiency of revenues over expenditures	(288,920)	(278,296)	294,866	573,162
Other financing sources (uses)				
Operating transfers in	298,532	298,532	242,032	(56,500)
Operating transfers out	(600)	(6,074)	(57,574)	(51,500)
Total other financing sources (uses)	297,932	292,458	184,458	(108,000)
Net change in fund balance	\$ 9,012	14,162	479,324	465,162
Non-GAAP change in fund balance			\$ 479,324	
Change from:				
Taxes receivable			(8,564)	
Grants receivable			(5,725)	
Accounts payable			6,086	
Accrued compensation and benefits			(3,627)	
GAAP change in fund balance			<u>\$ 467,494</u>	

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
BALANCE SHEET -
PROPRIETARY FUNDS
June 30, 2015

	Waste Water	Water	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 168,198	478,237	646,435
Accounts receivable, net of allowance	70,435	64,126	134,561
Restricted cash	581,793	89,621	671,414
Total current assets	820,426	631,984	1,452,410
Capital Assets			
Land, water rights, and construction in process	1,154,573	388,763	1,543,336
Plant and equipment	15,254,904	3,022,606	18,277,510
Accumulated depreciation	(6,752,479)	(1,265,585)	(8,018,064)
Total capital assets, net of accumulated depreciation	9,656,998	2,145,784	11,802,782
Total assets	10,477,424	2,777,768	13,255,192
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,489	13,186	18,675
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	-	2,654	2,654
Accrued compensation and benefits	1,581	4,321	5,902
Interest payable	9,863	-	9,863
Deposits payable	-	45,875	45,875
Compensated absences	2,957	2,415	5,372
Loans payable - current	-	23,320	23,320
Bonds payable - current	30,000	-	30,000
Total current liabilities	44,401	78,585	122,986
Noncurrent Liabilities			
Loans payable	-	327,910	327,910
Bonds payable	1,170,000	-	1,170,000
Net pension liability	51,102	122,772	173,874
Total noncurrent liabilities	1,221,102	450,682	1,671,784
Total liabilities	1,265,503	529,267	1,794,770
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	22,014	52,889	74,903
Net Position			
Net investments in capital assets	8,456,998	1,794,554	10,251,552
Restricted for debt service	581,793	-	581,793
Unrestricted	156,605	414,244	570,849
Total net position	\$ 9,195,396	2,208,798	11,404,194

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Waste Water	Water	Total
Operating Revenues			
Sales and services	\$ 628,396	576,200	1,204,596
Operating expenses	282,781	366,764	649,545
Depreciation	514,455	150,538	664,993
Total operating expenses	797,236	517,302	1,314,538
Operating (Loss) Income	(168,840)	58,898	(109,942)
Nonoperating Revenues (Expenses)			
Interest income	1,904	1,184	3,088
Interest expense	(60,839)	(8,929)	(69,768)
Loan forgiveness income	-	93,259	93,259
Other income	412	-	412
Transfers in	100,000	4,495	104,495
Transfers (out)	-	(235,027)	(235,027)
Total nonoperating revenues (expenses)	41,477	(145,018)	(103,541)
Change in net position	(127,363)	(86,120)	(213,483)
Net position, beginning of year	9,392,917	2,463,474	11,856,391
Restatement	(70,158)	(168,556)	(238,714)
Net position, beginning of year, as restated	9,322,759	2,294,918	11,617,677
Net position, end of year	\$ 9,195,396	2,208,798	11,404,194

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Waste Water	Water	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 638,419	556,443	1,194,862
Cash payments to vendors and employees	(286,714)	(373,204)	(659,918)
Net cash provided by operating activities	<u>351,705</u>	<u>183,239</u>	<u>534,944</u>
Cash Flows From Noncapital and Related Financing Activities			
Other income	412	-	412
Operating transfers in	100,000	4,495	104,495
Operating transfers out	-	(235,027)	(235,027)
Net cash (used) provided by noncapital financing activities	<u>100,412</u>	<u>(230,532)</u>	<u>(130,120)</u>
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	(286,851)	(379,788)	(666,639)
Principle payment on bonds	(25,000)	-	(25,000)
Interest payment on bonds	(61,251)	-	(61,251)
Proceeds from the issuance of loans	-	373,035	373,035
Interest payment on loans	-	(8,929)	(8,929)
Net cash used by capital and related financing activities	<u>(373,102)</u>	<u>(15,682)</u>	<u>(388,784)</u>
Cash Flows From Investing Activities			
Interest income	1,904	1,184	3,088
Net cash provided by investing activities	<u>1,904</u>	<u>1,184</u>	<u>3,088</u>
Net change in cash and cash equivalents	80,919	(61,791)	19,128
Cash, beginning of year	669,072	629,649	1,298,721
Cash, end of year	<u>\$ 749,991</u>	<u>567,858</u>	<u>1,317,849</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2015

	Waste Water	Water	Total
Operating (loss) income	\$ (168,840)	58,898	(109,942)
Adjustments to reconcile operating income to net cash flows:			
Depreciation expense	514,455	150,538	664,993
Changes in assets and liabilities:			
Accounts receivable	10,023	(19,757)	(9,734)
Deferred outflows of resources	(5,489)	(13,186)	(18,675)
Accounts payable	(992)	(662)	(1,654)
Accrued expenses	(410)	(172)	(582)
Deposits payable	-	475	475
Net pension liability	(19,056)	(45,784)	(64,840)
Deferred inflows of resources	22,014	52,889	74,903
Net cash provided by operating activities	<u>\$ 351,705</u>	<u>183,239</u>	<u>534,944</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF FIDUCIARY NET POSITION -
AGENCY FUNDS
June 30, 2015

ASSETS

Cash	\$	7,371
Accounts receivable		2,541
Total assets	\$	<u>9,912</u>

LIABILITIES

Due to other entities	\$	9,912
Total liabilities	\$	<u>9,912</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity. The Village of Bosque Farms (Village) was incorporated in 1974 under the laws of the State of New Mexico. The Village operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, education, public improvements, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

A. Financial Reporting Entity

As required by GAAP, financial statements are presented for the Village and its component units. A legally separate organization that does not qualify as a primary government is a potential component unit. The normal criterion for deciding whether a potential component unit is, in fact, a component unit is financial accountability. Financial accountability is determined by analyzing fiscal dependency, board appointments, financial benefit or burden relationships, or the ability of the primary government to impose its will on the potential component unit. Based on these criteria, the Village has no component units.

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 Village. 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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A. Financial Reporting Entity (Continued)

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

The Village follows the following revenue recognition principles applied to 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 revenues – property taxes are levied and collected by the Valencia County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10th and May 10th. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A. Financial Reporting Entity (Continued)

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

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.

The Village reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has legal claim to the resources, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The Village reports the following major governmental funds:

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

Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A. Financial Reporting Entity (Continued)

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The Village reports the following major proprietary funds:

Waste Water. To account for the provision of waste water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance billing, and collection.

Water. To account for the provisions of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund. Financing is provided through charges to customers for service.

B. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, money market funds, and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

The Village does not have an investment policy. Village funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.
2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and
3. credit unions, pursuant to State Board of Finance Collateral Policies.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B. Cash and Cash Equivalents (Continued)

4. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.
5. Investments in the New Mexico State Treasurer external investment pool (Local Government investment Pool).

C. Capital Assets

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

Governmental Accounting Standards Board (GASB) 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 Village has elected to not retroactively record infrastructure assets.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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:

Improvements other than buildings	10 - 50 years
Buildings and structures	30 years
Machinery and equipment	5 - 50 years
Furniture and fixtures	5 - 30 years
Infrastructure	5 - 50 years

Capital Assets in proprietary funds are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and other improvements	25 - 33 years
Water and sewer system	20 - 50 years
Machinery and equipment	5 - 10 years

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. Capital Assets (Continued)

The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

D. Intangible Assets

Under Statement of ASC 350, *Intangibles - Goodwill and Other*, intangible assets with indefinite lives are no longer amortized. Indefinite lived intangible assets, such as water rights, are tested for impairment on an annual basis. There were no intangible assets at year-end.

E. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Pensions – Deferred Inflows and Deferred Outflows or Resources

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 the payable in accordance with the benefit terms. Investments are reported at fair value.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

G. Accrued Employee Benefits

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. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

H. Fund Balances

The Village follows GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Council). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Council or by an official or body to which the Village Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Village Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

H. Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Council have provided otherwise in its commitment or assignment actions.

Major Funds

The Village's general fund had committed balances at June 30, 2015 in the amount of \$181,305, which consists of \$26,568 for unapplied reserve, \$47,636 for land, \$69,084 for streets, \$12,657 for fire, and \$25,360 for police.

Other Funds

The following non-major funds have a Restricted Fund Balance designated for specific purposes:

Corrections Fund: motor vehicle violation fee revenue of \$55,396 restricted by state statute for the costs of corrections.

Environmental Gross Receipts Tax Fund: gross receipts tax revenue of \$89,248 restricted by Joint Powers Agreement for the acquisition, construction, operation, and maintenance of wastewater and water facilities, sewer systems and related facilities.

Emergency Medical Services Fund: grant money of \$695 restricted by the grant document.

Fire Protection Fund: annual fire allotment of \$79,307 restricted by state statute for the operations and maintenance of the fire department.

Law Enforcement Protection Fund: annual law enforcement allotment of \$478 restricted by state statute for the operations and maintenance of the fire department.

Capital Projects Fund: grant money of \$7,495 restricted by the grant document.

Assigned funds consist of \$75,740 in the Streets Fund designated for the maintenance of Village roads, \$8,112 in the Recreation fund designated for Village recreational facilities and programs, \$64,923 in the EMS Tax Fund designated for emergency equipment and supplies, and \$22,381 in the Traffic Safety Fund designated for the purchase and maintenance of traffic safety equipment.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

I. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets 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 Village 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 considers checking accounts, money market accounts, certificates of deposit, and 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, capital projects, and enterprise funds.

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

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

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

L. Budgetary Information (Continued)

2. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects fund and enterprise funds.
4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

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. Implementation of New Accounting Standards

During the year ended June 30, 2015, the Village adopted the following Government Accounting Standards Board Statements (GASB):

GASB No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Implementation of GASB No. 68 will have a material impact of the Villages liabilities, deferred inflows of resources, deferred outflows of resources, and net assets. Details of GASB No. 68 and its implementation may be found in Footnote 7.

GASB No. 69 – Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement will not have a material impact on the Village's financial statements.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

O. Implementation of New Accounting Standards (Continued)

GASB No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement will not have a material impact on the Village’s financial statements.

GASB No. 71 – *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. GASB No. 71 was implemented in simultaneously with the provisions of GASB No. 68 above.

NOTE 2. CASH

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution’s trust department or agent but not in the Village’s name. As of June 30, 2015, the Village’s bank balance total of \$3,633,923 was exposed to credit risk in the amount of \$2,883,923 as follows:

Uninsured and collateral held by pledging bank’s trust department not in the Village’s name	<u>\$ 2,883,923</u>
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In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of federally insured balances at each financial institution.

The total balance in any single financial institution may at times exceed the FDIC coverage available to deposits. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3. ACCOUNTS RECEIVABLE – PROPRIETARY FUNDS

Accounts receivable represents billings for water and waste water fees. It is management's policy to cut off water and waste water services for non-payment. A lien is placed on the properties which have outstanding water bills. Management has not provided an allowance for doubtful accounts because it believes that the balance of the receivables is collectable.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4. CAPITAL ASSETS

Governmental fund capital asset activity for the year ending June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 527,070	-	-	527,070
Construction in process	61,894	11,877	-	73,771
Total, not depreciated	\$ 588,964	11,877	-	600,841
Capital assets, depreciated				
Buildings and improvements	\$ 3,609,034	-	-	3,609,034
Vehicles	1,318,729	42,539	-	1,361,268
Machinery, equipment and furniture	1,317,148	20,842	-	1,337,990
Infrastructure	2,348,591	36,972	-	2,385,563
Total, depreciated	8,593,502	100,353	-	8,693,855
Accumulated depreciation for				
Buildings and improvements	1,557,434	141,159	-	1,698,593
Vehicles	927,881	47,041	-	974,922
Machinery, equipment and furniture	1,026,492	81,433	-	1,107,925
Infrastructure	819,848	113,358	-	933,206
Total accumulated depreciation	4,331,655	382,991	-	4,714,646
Total capital assets, depreciated, net	\$ 4,261,847	(282,638)	-	3,979,209
Total capital assets, net	\$ 4,850,811	(270,761)	-	4,580,050

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

General government	\$ 21,584
Public safety	220,792
Highways and streets	118,781
Culture and recreation	21,834
Total depreciation expense	\$ 382,991

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4. CAPITAL ASSETS (CONTINUED)

Enterprise fund capital asset activity for the year ending June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-type Activities					
Capital assets, not depreciated:					
Land - Waste Water	\$ 1,154,573	-	-	-	1,154,573
Land - Water	14,137	-	-	-	14,137
Water rights	374,626	-	-	-	374,626
Construction in process - Water	189,601	-	-	(189,601)	-
Total, not depreciated	\$ 1,732,937	-	-	(189,601)	1,543,336
Capital assets, depreciated:					
Waste Water:					
Buildings and improvements	\$ 13,853,949	-	-	-	13,853,949
Vehicles	338,134	-	-	-	338,134
Machinery and equipment	775,970	286,851	-	-	1,062,821
Water:					
Buildings and improvements	2,074,118	369,341	-	189,601	2,633,060
Vehicles	37,435	-	-	-	37,435
Machinery and equipment	341,664	10,447	-	-	352,111
Total, depreciated	17,421,270	666,639	-	189,601	18,277,510
Accumulated depreciation for:					
Waste Water	6,238,024	514,455	-	-	6,752,479
Water	1,115,047	150,538	-	-	1,265,585
Total accumulated depreciation	7,353,071	664,993	-	-	8,018,064
Total capital assets, depreciated, net	\$ 10,068,199	1,646	-	189,601	10,259,446
Total capital assets, net	\$ 11,801,136	1,646	-	-	11,802,782

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS

During the year ended June 30, 2015, the following changes occurred:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated					
absences	42,555	30,160	(23,358)	49,357	24,000
Net pension liability	<u>1,724,970</u>	<u>-</u>	<u>(468,547)</u>	<u>1,256,423</u>	<u>-</u>
Total	<u>\$1,767,525</u>	<u>30,160</u>	<u>(491,905)</u>	<u>1,305,780</u>	<u>24,000</u>

Accrued Compensated Absences. Employees accrue either eight or ten hours per pay period depending on if the employee has been with the village less than or more than ten years, respectively. The maximum number of annual leave hours which may be accrued is 120 hours. Compensated absence balances have been liquidated with general fund money in prior years. Village employees accrue vacation leave as follows:

Total Years of Village Service	Yearly Accumulation
0-10 (inclusive)	96 hours
11 - or more	120 hours

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS

During the year ended June 30, 2015, the following changes occurred:

	Beginning Balance	Additions	Reductions/ Forgiveness	Ending Balance	Due Within One Year
Business-type activities					
Compensated					
absences	\$ 6,755	9,618	(11,001)	5,372	5,372
Net pension liability	238,714	-	(64,840)	173,874	-
Notes payable	71,454	373,035	(93,259)	351,230	23,320
Bonds payable	<u>1,225,000</u>	<u>-</u>	<u>(25,000)</u>	<u>1,200,000</u>	<u>30,000</u>
Total	<u>\$ 1,541,923</u>	<u>282,653</u>	<u>(194,100)</u>	<u>1,730,476</u>	<u>58,692</u>

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS (CONTINUED)

Notes Payable. During the year ended June 30, 2015, the Village entered into a loan and subsidy agreement in the amount of \$748,000. The subsidy is 25% of the loan and will be forgiven as loan funds are spent up to a maximum of \$188,870. The remaining amount is a loan in the amount of \$566,610. The proceeds were used for water infrastructure improvements. The loan is to be paid in twenty yearly principal and interest payments of \$34,652 beginning in 2016. Interest accrues on the outstanding principal at 2.0%.

The current balance on the loan is \$351,230 and will increase to \$566,610 as construction draws are processed.

The future requirements for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 23,320	11,332	34,652
2017	23,786	10,866	34,652
2018	24,262	10,390	34,652
2019	24,747	9,905	34,652
2020	25,242	9,410	34,652
2021 to 2025	133,988	39,272	173,260
2026 to 2030	147,934	25,326	173,260
2031 to 2035	163,331	9,929	173,260
	<u>\$ 566,610</u>	<u>126,430</u>	<u>693,040</u>

Bonds Payable. Pursuant to ordinance 99-2, in April 1999 the Village issued \$1,500,000 in Sewer System Improvement Revenue Bonds, Series 1999. The bonds carry a 5% interest rate and are payable solely from pledged net revenue of the sewer system. Principal plus accrued interest is paid annually in April of each year. Annual principal payments range from \$10,000 to \$80,000. The bonds mature in April 2039. Bonds held by the United States Government are redeemable at the option of the Village at par. Bonds held by other parties are redeemable by the Village at par commencing January 1, 2006. As of June 30, 2005, all of the bonds were held by the United States Government. The bonds require a monthly reserve deposit of \$721. The reserve may be used for preventing deficiencies in the payment of principal and interest as well as for certain repairs or improvements of the sewer system upon approval of the bond holder. The Village is also required to set aside one-twelfth of the next year's principal and interest payment every month. The cash reserves are shown under the caption "Restricted Cash" in the Sewer enterprise fund.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS (CONTINUED)

The future requirements for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 30,000	60,000	90,000
2017	30,000	58,500	88,500
2018	30,000	57,000	87,000
2019	30,000	55,500	85,500
2020	35,000	54,000	89,000
2021 to 2025	195,000	243,000	438,000
2026 to 2030	245,000	189,250	434,250
2031 to 2035	310,000	122,000	432,000
2036 to 2039	295,000	37,000	332,000
	<u>\$ 1,200,000</u>	<u>876,250</u>	<u>2,076,250</u>

NOTE 7. PROPERTY TAXES

Valencia County is responsible for assessing, collecting, and distributing property taxes for the Village. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by May 10 of the following year. Property taxes are delinquent if not paid by December 10 and June 10. Taxes on real property are liened on January 1 of the year for which the taxes are imposed.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 consisted of the following:

Transfers to the general fund from:	
Water	\$ 190,532
General fund – interfund transfers	<u>51,500</u>
	<u>\$ 242,032</u>
Transfers from the general fund to:	
Nonmajor funds	\$ 6,074
General fund – interfund transfers	<u>51,500</u>
	<u>\$ 57,574</u>
Transfers to the waste water fund from:	
Water	\$ 40,000
Nonmajor funds	<u>60,000</u>
	<u>\$ 100,000</u>
Transfers to the water fund from:	
Water – interfund transfers	<u>\$ 4,495</u>
Transfers from the water fund to:	
General fund	\$ 190,532
Waste water	40,000
Water – interfund transfers	<u>4,495</u>
	<u>\$ 235,027</u>
Transfers to the nonmajor funds from:	
General fund	<u>\$ 6,074</u>
Transfers from the nonmajor funds from:	
Waste water fund	<u>\$ 60,000</u>

The primary purpose of the transfers was to fund temporary operating shortfalls and fund reserve accounts.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA 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://www.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

Contributions – The contribution requirements of defined benefit plan members and the Village are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for 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

The PERA coverage option that applies to Village is The Municipal General Division. Statutorily required contributions to the pension plan from the Village were \$87,236 for the year ended June 30, 2015.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA PENSION PLAN (CONTINUED)

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 dated 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 Village's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 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.

PERA Municipal General Division

For the PERA Municipal General Division, at June 30, 2015, the Village reported a liability of \$521,112 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.0668%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA PENSION PLAN (CONTINUED)

For the year ended June 30, 2015, the Village recognized PERA Municipal General Division pension expense of \$21,714. At June 30, 2015, the Village reported PERA General Fund Division deferred outflows of resources and deferred inflows of resources of \$50,940 and \$204,226, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Change of assumption	-	353
Net difference between projected and actual earnings on pension plan investments	-	203,873
Village contributions subsequent to the measurement date	50,940	-
	<u>\$ 50,940</u>	<u>204,226</u>

\$50,940 reported as deferred outflows of resources related to pensions resulting from the Village 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 and deferred inflows related to pensions will be recognized in pension expense as follows:

2016	\$ (51,056)
2017	(51,056)
2018	(51,056)
2019	(51,056)
2020	<u>(2)</u>
	<u>\$ (204,226)</u>

PERA Municipal Police Division

For the PERA Municipal Police Division, at June 30, 2015, the Village reported a liability of \$909,184 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.2789%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA PENSION PLAN (CONTINUED)

For the year ended June 30, 2015, the Village recognized PERA Municipal Police Division pension expense of \$61,056. At June 30, 2015, the Village reported PERA Municipal Police Division deferred outflows of resources and deferred inflows of resources of \$102,681 and \$411,932, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Change of assumption	-	73,857
Net difference between projected and actual earnings on pension plan investments	-	338,075
Village contributions subsequent to the measurement date	<u>102,681</u>	-
	<u>\$ 102,681</u>	<u>411,932</u>

\$102,681 reported as deferred outflows of resources related to pensions resulting from the Village 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 and deferred inflows related to pensions will be recognized in pension expense as follows:

2016	\$ (102,891)
2017	(102,891)
2018	(102,891)
2019	(102,891)
2020	<u>(368)</u>
	<u>\$ (411,932)</u>

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 from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. There were not 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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA PENSION PLAN (CONTINUED)

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on 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 times of return for each major asset class are summarized in the following table:

All Funds – Asset Class	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	21.1 %	5.0 %
International Equity	24.8	5.2
Private Equity	7.0	8.2
Core and Global Fixed Income	26.1	1.9
Fixed Income Plus Sectors	5.0	4.8
Real Estate	5.0	5.3
Real Assets	7.0	5.7
Absolute Return	4.0	4.2
Total	100.0 %	

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On that 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 GASB 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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9. PERA PENSION PLAN (CONTINUED)

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate – The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Village's net pension liability in each PERA fund division that Village participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>PERA Municipal General Division</u>			
Village's proportionate share of the net pension liability	\$ 982,413	521,112	164,735

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>PERA Municipal Police Division</u>			
Village's proportionate share of the net pension liability	\$ 1,733,815	909,184	293,443

Pension plan fiduciary net position – Detailed information about the pension'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>.

NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. The Village 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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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.

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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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, 2015, 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 Village's contributions to the RHCA for the fiscal years ended June 30, 2015, 2014 and 2013 were \$24,458, \$24,203, and \$23,580, respectively, which equal the required contributions for each year.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The Village participates in the State of New Mexico Self-Insurers Fund for workers' compensation claims and employers' liability insurance including general, auto, uninsured motorist, law enforcement, and public official's errors and omissions liabilities. The policy limits for workers' compensation is unlimited and \$1,050,000 per occurrence for employer's liability. There is no deductible. Liability policy limits range from \$100,000 to \$750,000 per occurrence, with a \$4,000,000 annual aggregate per policy. Deductibles range from \$500 to \$5,000.

In addition, the Village has obtained insurance through a commercial carrier operating as a common risk management and insurance program for buildings, personal property, employee dishonesty, theft, burglar, fraud, terrorism, fine arts, and equipment breakdown. Limits range from \$10,000 to \$6,881,617, and deductibles range from \$2,500 to \$10,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with expendable available financial resources.

NOTE 12. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through December 2, 2015, the date the financial statements were available to be issued. The Village refinanced \$1,224,161 in sewer loan bonds. The net present savings from the refunding was \$212,996.

NOTE 13. RESTATEMENT OF NET POSITION

During the year ended June 30, 2015, the Village implemented Governmental Accounting Standards Board (*GASB*) *Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. The Village has restated the beginning entity side net position by \$(1,724,970) and the proprietary fund net position by \$(238,714) as part of the implementation of this GASB Statement.

In addition, the Capital Projects fund was reported as a major fund in the prior year, but has been reported as a nonmajor fund in the current year. Therefore, beginning fund balance for the nonmajor funds has been increased by \$871, and major funds has decreased by the same amount.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NONMAJOR FUNDS
June 30, 2015

SPECIAL REVENUE FUNDS

Corrections. To establish an additional sources of funds for municipalities to offset the costs of corrections. The source of funds is a fee which must be paid by all persons violating laws relating the operations of a motor vehicle. Authority is NMSA 33-9-3.

Environmental Gross Receipts Tax. To account for the revenue received from the State through gross receipts and subsequently given to the Otero/Lincoln County Regional Landfill in accordance with a joint powers agreement. Authority is by Joint Powers Agreement.

Emergency Medical Services. To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

Fire Protection. To account for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

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.

Streets. To account for funds used to maintain roads for which the Village is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of Village roads. Authority is NMSA 7-1-6.27.

Recreation. To account for revenues and expenditures relating to village recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15.

EMS Tax. To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

Traffic Safety. To account for revenues and expenditures of funds collected for the purchase and maintenance of traffic safety equipment. Authority is Village Ordinance No. 97-10 and No. 2000-02.

Capital Projects Fund. To account for revenues and expenses related to capital projects. Authority is by Village Ordinance.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2015

	Special Revenue		
	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
ASSETS			
Cash and cash equivalents	\$ 55,396	85,121	695
Receivables:			
Taxes:			
Gross receipts	-	4,127	-
Gasoline	-	-	-
Grants	-	-	-
Total assets	\$ 55,396	89,248	695
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted, special revenues	55,396	89,248	695
Assigned, special revenues	-	-	-
Total fund balances	55,396	89,248	695
Total liabilities and fund balances	\$ 55,396	89,248	695

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2015

	Special Revenue		
	Fire Protection	Law Enforcement Protection	Streets
ASSETS			
Cash and cash equivalents	\$ 79,307	478	106,554
Receivables:			
Taxes:			
Gross receipts	-	-	-
Gasoline	-	-	6,731
Grants	-	-	-
Total assets	\$ 79,307	478	113,285
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	-	4,355
Unearned revenue	-	-	33,190
Total liabilities	-	-	37,545
FUND BALANCES			
Restricted, special revenues	79,307	478	-
Assigned, special revenues	-	-	75,740
Total fund balances	79,307	478	75,740
Total liabilities and fund balances	\$ 79,307	478	113,285

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2015

	Special Revenue		
	Recreation	EMS Tax	Traffic Safety
ASSETS			
Cash and cash equivalents	\$ 8,112	59,242	22,381
Receivables:			
Taxes:			
Gross receipts	-	5,681	-
Gasoline	-	-	-
Grants	-	-	-
Total assets	\$ 8,112	64,923	22,381
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted, special revenues	-	-	-
Assigned, special revenues	8,112	64,923	22,381
Total fund balances	8,112	64,923	22,381
Total liabilities and fund balances	\$ 8,112	64,923	22,381

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2015

	Capital Projects	Total Nonmajor
ASSETS		
Cash and cash equivalents	\$ -	417,286
Receivables:		
Taxes:		
Gross receipts	-	9,808
Gasoline	-	6,731
Grants	16,682	16,682
	<hr/>	<hr/>
Total assets	\$ 16,682	450,507
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 9,187	13,542
Unearned revenue	-	33,190
Total liabilities	<hr/> 9,187	<hr/> 46,732
	<hr/>	<hr/>
FUND BALANCES		
Restricted, special revenues	-	225,124
Assigned, special revenues	7,495	178,651
Total fund balances	<hr/> 7,495	<hr/> 403,775
	<hr/>	<hr/>
Total liabilities and fund balances	\$ 16,682	450,507
	<hr/> <hr/>	<hr/> <hr/>

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2015**

	Special Revenue		
	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
Revenues			
Taxes	\$ -	24,944	-
Licenses, permits, fees, and fines	9,134	-	-
From non-federal sources:			
Grants	-	-	5,282
Interest	435	123	-
Total revenues	9,569	25,067	5,282
Expenditures			
Current			
General government	-	98	-
Public safety	27,871	-	4,587
Highways and streets	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	27,871	98	4,587
(Deficiency) excess of revenues over expenditures before other financing sources	(18,302)	24,969	695
Other financing sources (uses)			
Severance tax appropriation	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(60,000)	-
Total other financing sources (uses)	-	(60,000)	-
Net change in fund balances	(18,302)	(35,031)	695
Fund balance, beginning of year	73,698	124,279	-
Fund balance, end of year	\$ 55,396	89,248	695

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2015**

	Special Revenue		
	Fire Protection	Law Enforcement Protection	Streets
Revenues			
Taxes	\$ -	-	38,043
Licenses, permits, fees, and fines	-	-	-
From non-federal sources:			
Grants	81,770	28,400	26,810
Interest	-	-	27
	<hr/>		
Total revenues	81,770	28,400	64,880
	<hr/>		
Expenditures			
Current			
General government	-	-	-
Public safety	38,380	9,603	-
Highways and streets	-	-	3,448
Culture and recreation	-	-	-
Capital outlay	5,943	22,171	41,326
	<hr/>		
Total expenditures	44,323	31,774	44,774
	<hr/>		
(Deficiency) excess of revenues over expenditures before other financing sources	37,447	(3,374)	20,106
	<hr/>		
Other financing sources (uses)			
Severance tax appropriation	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
	<hr/>		
Net change in fund balances	37,447	(3,374)	20,106
	<hr/>		
Fund balance, beginning of year	41,860	3,852	55,634
	<hr/>		
Fund balance, end of year	\$ 79,307	478	75,740
	<hr/> <hr/>		

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2015

	Special Revenue		
	Recreation	EMS Tax	Traffic Safety
Revenues			
Taxes	\$ -	35,400	-
Licenses, permits, fees, and fines	-	-	3,221
From non-federal sources:			
Grants	-	-	-
Interest	-	-	-
Total revenues	-	35,400	3,221
Expenditures			
Current			
General government	-	-	-
Public safety	-	17,621	1,732
Highways and streets	-	-	-
Culture and recreation	2,140	-	-
Capital outlay	-	535	-
Total expenditures	2,140	18,156	1,732
(Deficiency) excess of revenues over expenditures before other financing sources	(2,140)	17,244	1,489
Other financing sources (uses)			
Severance tax appropriation	-	-	-
Operating transfers in	600	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	600	-	-
Net change in fund balances	(1,540)	17,244	1,489
Fund balance, beginning of year	9,652	47,679	20,892
Fund balance, end of year	\$ 8,112	64,923	22,381

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND
 BALANCES - NONMAJOR FUNDS
 Year Ended June 30, 2015**

	Capital Projects	Total Non-major
Revenues		
Taxes	\$ -	98,387
Licenses, permits, fees, and fines	-	12,355
From non-federal sources:		
Grants	-	142,262
Interest	-	585
	<hr/>	<hr/>
Total revenues	-	253,589
	<hr/>	<hr/>
Expenditures		
Current		
General government	-	98
Public safety	-	99,794
Highways and streets	-	3,448
Culture and recreation	-	2,140
Capital outlay	21,795	91,770
	<hr/>	<hr/>
Total expenditures	21,795	197,250
	<hr/>	<hr/>
(Deficiency) excess of revenues over expenditures before other financing sources	(21,795)	56,339
	<hr/>	<hr/>
Other financing sources (uses)		
Severance tax appropriation	22,945	22,945
Operating transfers in	5,474	6,074
Operating transfers out	-	(60,000)
	<hr/>	<hr/>
Total other financing sources (uses)	28,419	(30,981)
	<hr/>	<hr/>
Net change in fund balances	6,624	25,358
Fund balance, beginning of year	871	378,417
	<hr/>	<hr/>
Fund balance, end of year	\$ 7,495	403,775
	<hr/> <hr/>	<hr/> <hr/>

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
CORRECTIONS
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses, permits, fees, and fines	\$ 9,240	9,240	9,134	(106)
Interest	-	-	435	435
Total revenues	9,240	9,240	9,569	329
Expenditures				
Public safety	36,500	36,500	27,871	8,629
Net change in fund balance	(27,260)	(27,260)	(18,302)	<u>8,958</u>
Prior year cash appropriated	27,260	27,260	18,302	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
ENVIRONMENTAL GROSS RECEIPTS TAX
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 24,888	24,888	24,927	39
Interest	-	-	123	123
Total revenues	<u>24,888</u>	<u>24,888</u>	<u>25,050</u>	<u>162</u>
Expenditures				
General government	<u>1,825</u>	<u>1,825</u>	98	1,727
Excess of revenues over expenditures	<u>23,063</u>	<u>23,063</u>	<u>24,952</u>	<u>1,889</u>
Other financing uses				
Operating transfers out	-	-	(60,000)	(60,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>
Net change in fund balance	<u>\$ 23,063</u>	<u>23,063</u>	<u>(35,048)</u>	<u>(58,111)</u>
Prior year cash appropriated			<u>35,048</u>	
			<u>-</u>	
Non-GAAP change in fund balance			\$ (35,048)	
Change from:				
Taxes receivable			<u>17</u>	
GAAP change in fund balance			<u>\$ (35,031)</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Grants	\$ 5,257	5,282	5,282	-
Expenditures				
Public safety	5,257	5,282	4,587	695
Net change in fund balance	\$ -	-	695	695

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
FIRE PROTECTION
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 81,770	81,770	81,770	-
Expenditures				
Public safety	81,770	81,770	38,678	43,092
Capital outlay	-	-	5,943	(5,943)
Total expenditures	81,770	81,770	44,621	37,149
Net change in fund balance	\$ -	-	37,149	37,149
Non-GAAP change in fund balance			\$ 37,149	
Change from:				
Accounts payable			298	
GAAP change in fund balance			\$ 37,447	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT PROTECTION
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 28,400	28,400	28,400	-
Expenditures				
Public safety	16,252	16,252	9,603	6,649
Capital outlay	16,000	16,000	22,171	(6,171)
Total expenditures	32,252	32,252	31,774	478
Net change in fund balance	(3,852)	(3,852)	(3,374)	478
Prior year cash appropriated	3,852	3,852		
	<u>\$ -</u>	<u>-</u>		

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
STREETS
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 47,000	47,000	38,926	(8,074)
Grants	259,000	259,000	26,810	(232,190)
Other	-	4,238	-	(4,238)
Interest	-	-	27	27
Total revenues	306,000	310,238	65,763	(244,475)
Expenditures				
Highways and streets	13,375	13,375	3,448	9,927
Capital outlay	256,033	256,033	41,326	214,707
Total expenditures	269,408	269,408	44,774	224,634
Net change in fund balance	\$ 36,592	40,830	20,989	(19,841)
Non-GAAP change in fund balance			\$ 20,989	
Change from:				
Taxes receivable			<u>(883)</u>	
GAAP change in fund balance			<u>\$ 20,106</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
RECREATION
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ -	-	-	-
Expenditures				
Culture and recreation	550	2,690	2,140	550
Total expenditures	550	2,690	2,140	550
Excess of revenues over expenditures	(550)	(2,690)	(2,140)	550
Other financing sources				
Transfers in	600	600	600	-
Total other financing sources	600	600	600	-
Net change in fund balance	<u>\$ 50</u>	(2,090)	(1,540)	<u>550</u>
Prior year cash appropriated		<u>2,090</u>	<u>1,540</u>	
		<u>-</u>	<u>-</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMS TAX
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 33,000	33,000	35,055	2,055
Expenditures				
Public safety	28,464	28,464	17,621	10,843
Capital outlay	3,000	3,000	535	2,465
Total expenditures	<u>31,464</u>	<u>31,464</u>	18,156	13,308
Net change in fund balance	<u>\$ 1,536</u>	<u>1,536</u>	16,899	15,363
Non-GAAP change in fund balance			\$ 16,899	
Change from:				
Taxes receivable			<u>345</u>	
GAAP change in fund balance			<u>\$ 17,244</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
TRAFFIC SAFETY
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Licenses, permits, fees, and fines	\$ 9,100	9,100	3,221	(5,879)
Total revenues	9,100	9,100	3,221	(5,879)
Expenditures				
Public safety	5,000	5,000	1,732	3,268
Total expenditures	5,000	5,000	1,732	3,268
Net change in fund balance	\$ 4,100	4,100	1,489	(2,611)

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Expenditures				
Capital outlay	\$ 374,594	374,594	12,608	361,986
Excess of revenues over expenditures	(374,594)	(374,594)	(12,608)	361,986
Other financing sources				
Severance tax appropriations	375,464	375,464	7,134	(368,330)
Operating transfers in	-	5,474	5,474	-
Total other financing sources (uses)	375,464	380,938	12,608	(368,330)
Net change in fund balance	\$ 870	6,344	-	(6,344)
Non-GAAP change in fund balance			\$ -	
Change from:				
Grants receivable			15,811	
Accounts payable			(9,187)	
GAAP change in fund balance			\$ 6,624	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
WASTE WATER ENTERPRISE FUND
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Charges for services	\$ 694,145	710,809	638,419	(72,390)
Interest	5,000	5,000	1,904	(3,096)
Other	11,100	11,312	412	(10,900)
Total revenues	710,245	727,121	640,735	(86,386)
Expenses				
Operating	327,368	344,244	284,595	59,649
Capital outlay	400,116	400,116	286,851	113,265
Debt service	87,000	87,000	85,839	1,161
Total expenditures	814,484	831,360	657,285	174,075
Excess of expenses over revenues	(104,239)	(104,239)	(16,550)	87,689
Other financing sources (uses)				
Operating transfers in	187,000	187,000	100,000	(87,000)
Operating transfers out	(195,000)	(195,000)	-	195,000
Total other financing sources (uses)	(8,000)	(8,000)	100,000	108,000
Change in net position	(112,239)	(112,239)	83,450	195,689
Prior year cash appropriated	112,239	112,239		
	<u>\$ -</u>	<u>-</u>		
Non-GAAP change in fund balance			\$ 83,450	
Change from:				
Receivables			(10,023)	
Accounts payable			992	
Accrued compensation and benefits			516	
Interest payable			412	
Compensated absences			(106)	
Non-budgeted items:				
Capitalized purchases			286,851	
Debt service - principal			25,000	
Depreciation			(514,455)	
GAAP change in net position			<u>\$ (127,363)</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
WATER ENTERPRISE FUND
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Charges for services	\$ 569,100	578,972	556,443	(22,529)
Interest income	-	-	1,184	1,184
Loan forgiveness	-	-	93,259	93,259
Other income	28,700	29,547	-	(29,547)
Grants	661,151	661,151	-	(661,151)
Total revenues	1,258,951	1,269,670	650,886	(618,784)
Expenses				
Operating	494,319	494,319	367,598	126,721
Capital outlay	675,097	675,097	379,788	295,309
Debt service	9,538	9,538	8,929	609
Total expenditures	1,178,954	1,178,954	756,315	422,639
Excess of revenues over expenditures	79,997	90,716	(105,429)	(196,145)
Other financing sources (uses)				
Operating transfers in	9,538	9,538	4,495	(5,043)
Operating transfers out	(240,070)	(240,070)	(235,027)	5,043
Total other financing sources (uses)	(230,532)	(230,532)	(230,532)	-
Change in net position	(150,535)	(139,816)	(335,961)	(196,145)
Prior year cash appropriated	150,535	139,816	335,961	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (335,961)	
Change from:				
Receivables			19,757	
Accounts payable			662	
Accrued compensation and benefits			(1,317)	
Compensated absences			1,489	
Non-budgeted items:				
Capitalized purchases			379,788	
Depreciation			(150,538)	
GAAP change in net position			<u>\$ (86,120)</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
Schedule of the Village's Proportionate Share of the Net Pension Liability of PERA's
Municipal General Division and Municipal Police Division Public Employees Retirement
Association (PERA) Plan - Last 10 Fiscal Years*
June 30, 2015

Municipal General Division

	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.0668%
Village's proportionate share of the net pension liability (asset)	\$ 521,112
Village's covered-employee payroll	\$ 568,728
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92%
Plan fiduciary net position as a percentage of the total plan liability	81.29%

Municipal Police Division

	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.2789%
Village's proportionate share of the net pension liability (asset)	\$ 909,184
Village's covered-employee payroll	\$ 526,325
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173%
Plan fiduciary net position as a percentage of the total plan liability	81.29%

* The amounts presented were determined as of June 30, 2015. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is completed, the Village will present information for those years for which information is available.

VILLAGE OF BOSQUE FARMS, NEW MEXICO

**Schedule of the Village's Contributions to the Public Employees Retirement Association (PERA)
Plan's Municipal General Division and Municipal Police Division - Last 10 Fiscal Years*
June 30, 2015**

Municipal General Division

	2015
Contractually required contributions	\$ 54,230
Contributions in relation to the contractually required contribution	54,230
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	\$ 568,728
Contributions as a percentage of covered-employee payroll	9.5%

Municipal Police Division

	2015
Contractually required contributions	\$ 99,392
Contributions in relation to the contractually required contribution	99,392
Contribution deficiently (excess)	<u>\$ -</u>
Village's covered-employee payroll	\$ 526,325
Contributions as a percentage of covered-employee payroll	18.9%

* The amounts presented were determined as of June 30, 2015. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is completed, the Village will present information for those years for which information is available.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO SCHEDULES OF PERA PLAN INFORMATION
June 30, 2015

Changes in 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.

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.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states, “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.”

VILLAGE OF BOSQUE FARMS, NEW MEXICO
AGENCY FUNDS
June 30, 2015

Municipal Judge's Fund. To account for the receipt and disbursement of money collected through the Municipal Judicial System and held for payment to various other state and local governmental agencies.

Municipal Judge's Bond Fund. To account for the receipt and disbursement of bond funds collected through the Municipal Judicial System and held for refund or conversion to pay fines and fees.

Living Cross EMS Fund. To account for the receipt and disbursement of money held by the Village on behalf of Living Cross EMS.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
MUNICIPAL JUDGE'S FUND				
ASSETS				
Cash	\$ 5,341	3,982	5,359	3,964
Accounts receivable	2,541	-	-	2,541
Total assets	\$ 7,882	3,982	5,359	6,505
LIABILITIES				
Due to other entities	\$ 7,882	3,982	5,359	6,505
Total liabilities	\$ 7,882	3,982	5,359	6,505
MUNICIPAL JUDGE'S BOND FUND				
ASSETS				
Cash	\$ 4,265	12,475	13,333	3,407
Total assets	\$ 4,265	12,475	13,333	3,407
LIABILITIES				
Due to other entities	\$ 4,265	12,475	13,333	3,407
Total liabilities	\$ 4,265	12,475	13,333	3,407
LIVING CROSS EMS				
ASSETS				
Cash	\$ 1,002	16,038	17,040	-
Total assets	\$ 1,002	16,038	17,040	-
LIABILITIES				
Due to other entities	\$ 1,002	16,038	17,040	-
Total liabilities	\$ 1,002	16,038	17,040	-
TOTAL				
ASSETS				
Cash	\$ 10,608	32,495	35,732	7,371
Accounts receivable	2,541	-	-	2,541
Total assets	\$ 13,149	32,495	35,732	9,912
LIABILITIES				
Due to other entities	\$ 13,149	32,495	35,732	9,912
Total liabilities	\$ 13,149	32,495	35,732	9,912

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF DEPOSIT ACCOUNTS
June 30, 2015

Type	Depository	Account Name	Depository Balance	Reconciled Balance
Non-Int bearing checking	US Bank	General Pooled Cash	\$ 830,640	826,069
Non-Int bearing checking	US Bank	Special Revenue Pooled Cash	269,772	268,236
Non-Int bearing checking	US Bank	Utility Enterprise Account	273,524	259,775
Non-Int bearing checking	US Bank	Payroll Account	35,194	-
Int bearing checking	First American Bank	General Pooled Cash	300,058	300,058
Money market	US Bank	Money Market - High Wealth	604,065	604,065
CD	US Bank	Certificate of Deposit	910,000	910,000
CD	First American Bank	Certificate of Deposit	404,153	404,153
Cash and cash equivalents - non-agency funds			3,627,406	3,572,356
Petty cash		Village Clerk's petty cash - General	-	200
Petty cash		Water Department's petty cash	-	150
Total cash and cash equivalents - non-agency funds			\$ 3,627,406	3,572,706
Agency funds cash accounts:				
Non-Int bearing checking	US Bank	Municipal Court Pooled Cash	\$ 6,517	7,371

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2015

	US Bank	First American Bank	Total
Deposits at June 30, 2015	\$ 2,929,712	704,211	3,633,923
Less: FDIC coverage	500,000	250,000	750,000
Uninsured public funds	2,429,712	454,211	2,883,923
Pledged collateral held by the pledging bank's trust department or agent but not in the Village's name	2,710,112	338,705	3,048,817
Uninsured and uncollateralized	\$ -	-	-
50% pledged collateral requirement per statute	\$ 1,214,856	227,106	1,441,962
Total pledged collateral	2,710,112	338,705	3,048,817
Pledged collateral over the requirement	\$ (1,495,256)	(111,600)	(1,606,856)

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

Security	CUSIP	Maturity	Fair Market Value	Fair Market Value	Total
FNMA Pool 890193 Bond	31410K7E8	8/1/2025	\$ 1,672,733	-	1,672,733
FNMA Pool AB4480 25DD Bond	31417A6S3	2/1/2027	1,037,379	-	1,037,379
Ruidoso NM Muni School District Bor	781338HR2	8/1/2021	-	338,705	338,705
			\$ 2,710,112	338,705	3,048,817

The custodian of the pledged securities for US Bank is the Federal Home Loan Bank in Dallas, Texas.

The custodian of the pledged securities for First American Bank is the Federal Home Loan Bank in Dallas, Texas.

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2015**

Joint Power Agreement	Participants	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to Village	Amount contributed by Village during fiscal year	Audit Responsibility	Fiscal agent and responsible reporting entity
Prisoner Housing	Valencia County Village of Bosque Farms	Valencia County	To provide housing of municipal prisoners arrested by the Village and confined in the Valencia County Detention Center	12/04 to indefinite	\$70 per inmate	\$ 20,870	Valencia County	Valencia County
Animal Control	Valencia County Animal Control Center Village of Bosque Farms	Valencia County Animal Control Center	Collect and keep custody of animals	07/02 to indefinite	\$453 per month for custody of dogs and cats.	\$ 5,889	Valencia County	Valencia County
Wildfire Protection Activities	State of New Mexico Energy, Minerals and Natural Resources Department Village of Bosque Farms	State of New Mexico Energy, Minerals and Natural Resources Department	To provide a cooperative fire protection system covering any or all private, County, non-municipal, and State lands within or adjacent to the Village	Indefinite	Payments are on a reimbursement basis	\$ -	State of New Mexico Energy, Minerals and Natural Resources Department	State of New Mexico Energy, Minerals and Natural Resources Department
Local Building Permit Review and Inspection Services	City of Belen Village of Los Lunas County of Valencia Village of Bosque Farms	Joint	Provision of local building permit review and inspection services	Indefinite	The Village pays its own inspectors	\$ -	Joint	Joint
Emergency 911 Regional Emergency Communications Center	City of Belen Village of Los Lunas Village of Bosque Farms	Village of Los Lunas	Provision of enhanced emergency 911 services; establishment of the Valencia Regional Emergency Communications Center	Indefinite	Operating expenses of the Communications Center based on the proportion of calls generated in the respective jurisdictions, and equitable proportion of loan payments for capital outlay	\$ 25,343	Village of Los Lunas	Village of Los Lunas
Medical Director for EMS Services	Valencia County Village of Bosque Farms	Valencia County	Provision of medical direction as necessary for the fire medical rescue services of the Village of Bosque Farms	Indefinite	\$4,200 per year	\$ 4,200	Valencia County	Valencia County
Police Service	Village of Bosque Farms Town of Peralta	Village of Bosque Farms	Bosque Farms will provide police services to the Town of Peralta	Yearly renewal	The Town of Peralta pays the Village of Bosque Farms \$180,000 per year, with yearly increases.	\$ 180,000	Village of Bosque Farms	Village of Bosque Farms

**VILLAGE OF BOSQUE FARMS
SCHEDULE OF APPROPRIATIONS
June 30, 2015**

Appropriation	Beginning Date	Ending Date	Original Amount	Funds Expended	Funds Remaining
13-L-1807	2013	06/30/2017	\$ 70,000	68,606	1,394
13-1521-STB	2013	06/30/2015	300,000	300,000	-
14-L-2021	2014	06/30/2018	75,000	988	74,012
14-1722-STB	2014	06/30/2018	286,000	10,747	275,253

Unexpended balances will be earned when all grant requirements have been met.

The funds remaining are encumbered.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000
June 30, 2015

RFB#/RFP#	State-Wide Price Agreement#	Type of Procurement	Awarded Vendor	Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of-State Vendor (Y or N)	Was the vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
NA		ITB	Anderson-Brown	\$ 279,900	\$ 323,111	Anderson-Brown, Inc. 1210 Prosperity Ave. SE, Suite B Albuquerque, NM 87105	Y	N	Improvements to Well #2 pumps and booster pumps, and the installation of a SCADA system.
						AUI, Inc. P.O. Box 9825 Albuquerque, NM 87119	Y	Y	
						Desert Utility & Paving 8201 Golf Course NW, Ste. D3 #295 Albuquerque, NM 87120	N	N	
						Fox Builders, Inc. 203 Sandoval Rd. SW Los Lunas, NM 87031	N	N	
						White Cloud Pipeline, Corp. P.O. Box 2184, Roswell, NM 88202	N	N	
NA		Request for Proposal for Legal Services	Jarmie & Associates	Hourly rate expected to exceed \$60,000 in a fiscal year	NA	Jarmie & Associates, Mark D. Jarmie, LLC 514 Marble Ave. NW, Albuquerque, NM 87102	N	N	Provide legal services for the Village
						David Chavez, LLC 651 Highway 314 SW, Los Lunas, NM 87031	N	N	
						Sutin Thayer & Browne, Town Park Square, Suite 1000, 6565 Americas Parkway NE, Albuquerque, NM 87110	N	N	
NA		Sole Source	James, Cooke & Hobson, Inc.	\$ 256,506	NA	James, Cooke & Hobson, Inc. 3810 Academy Pkwy S NE Albuquerque, NM 87109	N	N	E-one grinder pump parts

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS
10612 ROYAL BIRKDALE NE
ALBUQUERQUE, NM 87111

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Robert G. Knowlton, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparison of the general fund of the Village of Bosque Farms (Village) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated December 2, 2015.

Internal Control Over Financial Reporting

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

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

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Robert G. Knowlton, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

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

Compliance and Other Matters

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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.



Albuquerque, New Mexico
December 2, 2015

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2015

None

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

None

VILLAGE OF BOSQUE FARMS, NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2015

An exit conference was held on December 8, 2015, and attended by the following:

Village of Bosque Farms, New Mexico

Robert G. Knowlton, Mayor
Wayne Ake, Mayor Pro-Tem
Gayle Jones, Village Administrator

Porch & Associates LLC

Thad Porch, Managing Principal

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The financial statements were prepared by Porch & Associates LLC from the books and records of the Village of Bosque Farms. However, the contents of these financial statements remain the responsibility of the Village's management.