

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

VILLAGE OF BOSQUE FARMS, NEW MEXICO

Financial Statements, Supplementary Information
and
Independent Auditors' Report

June 30, 2016

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VILLAGE OF BOSQUE FARMS, NEW MEXICO

List of Principal Officials

June 30, 2016

Elected Officials

Wayne Ake	Mayor
Russell W. Walkup	Mayor Pro-Tem
William Kennedy	Councilor
Chad Wood	Councilor
Jason Hatch	Councilor

Administrative Officials

Gayle Jones	Clerk/Administrator
Michelle Fryhover	Treasurer

Independent Auditor's Report

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Wayne Ake, 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, 2016, 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, major capital project fund, 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, 2016, 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. Wayne Ake, 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, 2016, 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, 2016, 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 requires 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.

Accounting principles generally accepted in the United States of America require that the schedules related to the Villages pension plan on pages 64 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mr. Timothy Keller, New Mexico State Auditor and
Mr. Wayne Ake, Mayor and
The Village Council
Village of Bosque Farms, New Mexico

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.

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 13, 2016 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 13, 2016

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,994,017	738,764	2,732,781
Receivables:			
Taxes:			
Gross receipts	206,743	-	206,743
Gasoline	10,449	-	10,449
Motor vehicle	4,530	-	4,530
Property	18,112	-	18,112
Franchise	25,691	-	25,691
Grants	50,426	-	50,426
Accounts receivable, net of allowance	-	151,435	151,435
Restricted cash	-	677,007	677,007
Capital assets, not depreciated	532,235	1,543,336	2,075,571
Capital assets, net of accumulated depreciation	4,002,798	10,072,884	14,075,682
	<hr/>	<hr/>	<hr/>
Total assets	6,845,001	13,183,426	20,028,427
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	158,924	14,200	173,124
LIABILITIES			
Accounts payable	5,844	2,654	8,498
Accrued compensation and benefits	40,249	8,163	48,412
Interest payable	-	14,820	14,820
Deposits payable	-	46,225	46,225
Compensated absences, due in one year	43,979	6,081	50,060
Compensated absences, due in more than one year	-	-	-
Long-term liabilities, due in one year	-	60,133	60,133
Long-term liabilities, due in more than one year	-	1,482,541	1,482,541
Net pension liability	1,757,486	232,086	1,989,572
	<hr/>	<hr/>	<hr/>
Total liabilities	1,847,558	1,852,703	3,700,261
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	66,192	8,741	74,933
NET POSITION			
Net investment in capital assets	4,535,033	10,073,546	14,608,579
Restricted for debt service	-	587,256	587,256
Unrestricted	555,142	675,380	1,230,522
	<hr/>	<hr/>	<hr/>
Total net position	\$ 5,090,175	11,336,182	16,426,357

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

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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	\$ 570,440	66,151	207,854	-	(296,435)	-	(296,435)
Public safety	1,837,329	14,154	135,844	-	(1,687,331)	-	(1,687,331)
Highways and streets	288,521	-	-	199,000	(89,521)	-	(89,521)
Culture and recreation	195,626	-	24,643	-	(170,983)	-	(170,983)
Total governmental activities	<u>2,891,916</u>	<u>80,305</u>	<u>368,341</u>	<u>199,000</u>	<u>(2,244,270)</u>	<u>-</u>	<u>(2,244,270)</u>
Business-type activities							
Waste Water	931,411	690,813	-	-	-	(240,598)	(240,598)
Water	577,521	586,014	-	-	-	8,493	8,493
Total business-type activities	<u>1,508,932</u>	<u>1,276,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,105)</u>	<u>(232,105)</u>
Total primary government	<u>\$ 4,400,848</u>	<u>1,357,132</u>	<u>368,341</u>	<u>199,000</u>	<u>(2,244,270)</u>	<u>(232,105)</u>	<u>(2,476,375)</u>
General Revenues:							
Franchise taxes					107,472	-	107,472
Gasoline taxes					43,560	-	43,560
Gross receipts taxes					1,236,172	-	1,236,172
Property taxes					189,452	-	189,452
Motor vehicle registrations					30,161	-	30,161
EMS taxes					33,436	-	33,436
Other					58,504	16,186	74,690
Interest					2,149	5,037	7,186
Loss on the disposal of assets					(24,595)	-	(24,595)
Joint power agreement payments					172,500	-	172,500
Severance tax appropriations					273,724	-	273,724
Transfers					(142,870)	142,870	-
Total general revenues and transfers					<u>1,979,665</u>	<u>164,093</u>	<u>2,143,758</u>
Change in net position					<u>(264,605)</u>	<u>(68,012)</u>	<u>(332,617)</u>
Net position, beginning of year					5,354,780	11,404,194	16,758,974
Net position, end of year					<u>\$ 5,090,175</u>	<u>11,336,182</u>	<u>16,426,357</u>

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

VILLAGE OF BOSQUE FARMS, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,520,790	-	473,227	1,994,017
Receivables:				
Taxes:				
Gross receipts	196,491	-	10,252	206,743
Gasoline	-	-	10,449	10,449
Motor vehicle	4,530	-	-	4,530
Property	18,112	-	-	18,112
Franchise	25,691	-	-	25,691
Grants	-	50,426	-	50,426
Total assets	\$ 1,765,614	50,426	493,928	2,309,968
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 5,844	-	-	5,844
Accrued compensation and benefits	39,677	-	572	40,249
Unearned revenue	-	-	124,000	124,000
Total liabilities	45,521	-	124,572	170,093
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	13,517	-	-	13,517
FUND BALANCES				
Restricted for:				
Special revenue funds	-	-	216,066	216,066
Capital projects funds	-	50,426	-	50,426
Committed reported in:				
General fund	201,191	-	-	201,191
Assigned to:				
Special revenue funds	-	-	153,290	153,290
Unassigned:				
General fund	1,505,385	-	-	1,505,385
Total fund balances	1,706,576	50,426	369,356	2,126,358
Total liabilities and fund balances	\$ 1,765,614	50,426	493,928	2,309,968

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, 2016

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

Total fund balance - governmental funds	\$ 2,126,358
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	4,535,033
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.	(43,979)
Deferred revenue is recorded as income under the accrual method, and not the modified accrual method.	124,000
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.	(1,757,486)
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.	158,924
Deferred inflows of resources related to pensions are not received in the current period and, therefore, are not reported in the governmental funds.	<u>(66,192)</u>
Net position - governmental activities	<u><u>\$ 5,090,175</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, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 1,537,614	-	102,639	1,640,253
Licenses, permits, fees, and fines	66,151	-	14,154	80,305
From federal sources:		-		
Grants	21,841	-	-	21,841
From non-federal sources:				
Grants	47,343	-	222,193	269,536
Intergovernmental	357,654	-	-	357,654
Interest	1,576	-	573	2,149
Other	47,279	9,365	1,860	58,504
Total revenues	2,079,458	9,365	341,419	2,430,242
Expenditures				
Current				
General government	559,419	-	650	560,069
Public safety	1,509,505	-	115,034	1,624,539
Highways and streets	170,689	-	3,355	174,044
Culture and recreation	174,583	-	-	174,583
Capital outlay	149,571	-	192,044	341,615
Total expenditures	2,563,767	-	311,083	2,874,850
Deficiency of revenues over expenditures before other financings sources	(484,309)	9,365	30,336	(444,608)
Other Financing Sources (Uses)				
Severance tax appropriation	-	273,724	-	273,724
Operating transfers in	222,675	-	2,740	225,415
Operating transfers out	(68,127)	(240,158)	(60,000)	(368,285)
Total other financing sources (uses)	154,548	33,566	(57,260)	130,854
Net change in fund balances	(329,761)	42,931	(26,924)	(313,754)
Fund balance, beginning of year	2,036,337	7,495	396,280	2,440,112
Fund balance, end of year	\$ 1,706,576	50,426	369,356	2,126,358

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, 2016**

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

Net changes in fund balances - governmental funds \$ (313,754)

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	(372,122)	
Capital outlay	351,700	
Excess of depreciation over capital outlay		(20,422)

The loss on disposal of assets is not recorded in the governmental financial statements, but is recorded on the entity wide statements. (24,595)

Deferred revenue is recorded as income under the accrual method, and not the modified accrual method 90,810

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. 5,378

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 net pension liability and the related deferred inflows and deferred inflows of resources related to pensions		(2,022)
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Change in net position - governmental activities \$ (264,605)

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Taxes	\$ 1,480,700	1,480,700	1,550,546	69,846
Licenses, permits, fees, and fines	98,450	98,450	66,151	(32,299)
Grants	62,230	78,606	85,866	7,260
Intergovernmental	350,000	350,000	357,654	7,654
Interest	597	597	1,576	979
Other	280,777	282,716	47,279	(235,437)
Total revenues	<u>2,272,754</u>	<u>2,291,069</u>	<u>2,109,072</u>	<u>(181,997)</u>
Expenditures				
General government	439,855	446,465	556,375	(109,910)
Public safety	1,607,222	1,697,714	1,509,505	188,209
Highways and streets	237,226	241,726	170,689	71,037
Culture and recreation	229,401	241,455	174,583	66,872
Capital outlay	138,204	141,804	149,571	(7,767)
Total expenditures	<u>2,651,908</u>	<u>2,769,164</u>	<u>2,560,723</u>	<u>208,441</u>
Deficiency of revenues over expenditures	(379,154)	(478,095)	(451,651)	26,444
Other financing sources (uses)				
Operating transfers in	284,700	284,700	222,675	(62,025)
Operating transfers out	(600)	(1,540)	(68,127)	(66,587)
Total other financing sources (uses)	<u>284,100</u>	<u>283,160</u>	<u>154,548</u>	<u>(128,612)</u>
Net change in fund balance	(95,054)	(194,935)	(297,103)	(102,168)
Prior year cash appropriated	95,054	194,935	297,103	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (297,103)	
Change from:				
Taxes receivable			(12,932)	
Grants receivable			(16,682)	
Accounts payable			7,697	
Accrued compensation and benefits			(10,741)	
GAAP change in fund balance			<u>\$ (329,761)</u>	

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

VILLAGE OF BOSQUE FARMS, NEW MEXICO
BALANCE SHEET -
PROPRIETARY FUNDS
June 30, 2016

	Waste Water	Water	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 216,380	522,384	738,764
Accounts receivable, net of allowance	83,422	68,013	151,435
Restricted cash	587,256	89,751	677,007
Total current assets	887,058	680,148	1,567,206
Capital Assets			
Land, water rights, and construction in process	1,154,573	388,763	1,543,336
Plant and equipment	15,570,160	3,256,651	18,826,811
Accumulated depreciation	(7,309,602)	(1,444,325)	(8,753,927)
Total capital assets, net of accumulated depreciation	9,415,131	2,201,089	11,616,220
Total assets	10,302,189	2,881,237	13,183,426
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	3,559	10,641	14,200
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	-	2,654	2,654
Accrued compensation and benefits	2,853	5,310	8,163
Interest payable	14,084	736	14,820
Deposits payable	-	46,225	46,225
Compensated absences	3,421	2,660	6,081
Loans payable - current	-	23,786	23,786
Bonds payable - current	36,347	-	36,347
Total current liabilities	56,705	81,371	138,076
Noncurrent Liabilities			
Loans payable	-	321,162	321,162
Bonds payable	1,161,379	-	1,161,379
Net pension liability	58,172	173,914	232,086
Total noncurrent liabilities	1,219,551	495,076	1,714,627
Total liabilities	1,276,256	576,447	1,852,703
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,191	6,550	8,741
Net Position			
Net investments in capital assets	8,217,405	1,856,141	10,073,546
Restricted for debt service	587,256	-	587,256
Unrestricted	222,640	452,740	675,380
Total net position	\$ 9,027,301	2,308,881	11,336,182

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, 2016

	Waste Water	Water	Total
Operating Revenues			
Sales and services	\$ 690,813	586,014	1,276,827
Operating expenses	322,268	387,210	709,478
Depreciation	557,123	178,740	735,863
Total operating expenses	879,391	565,950	1,445,341
Operating (Loss) Income	(188,578)	20,064	(168,514)
Nonoperating Revenues (Expenses)			
Interest income	3,100	1,937	5,037
Interest expense	(52,020)	(11,571)	(63,591)
Other income	578	15,608	16,186
Transfers in	76,207	258,179	334,386
Transfers (out)	(7,382)	(184,134)	(191,516)
Total nonoperating revenues (expenses)	20,483	80,019	100,502
Change in net position	(168,095)	100,083	(68,012)
Net position, beginning of year	9,195,396	2,208,798	11,404,194
Net position, end of year	\$ 9,027,301	2,308,881	11,336,182

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, 2016

	Waste Water	Water	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 677,826	582,127	1,259,953
Cash payments to vendors and employees	(331,355)	(378,278)	(709,633)
Net cash provided by operating activities	<u>346,471</u>	<u>203,849</u>	<u>550,320</u>
Cash Flows From Noncapital and Related Financing Activities			
Other income	578	15,608	16,186
Operating transfers in	76,207	258,179	334,386
Operating transfers out	(7,382)	(184,134)	(191,516)
Net cash provided by noncapital financing activities	<u>69,403</u>	<u>89,653</u>	<u>159,056</u>
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	(315,256)	(234,045)	(549,301)
Principle payment on bonds	(2,274)	(6,282)	(8,556)
Interest payment on bonds	(47,799)	-	(47,799)
Interest payment on loans	-	(10,835)	(10,835)
Net cash used by capital and related financing activities	<u>(365,329)</u>	<u>(251,162)</u>	<u>(616,491)</u>
Cash Flows From Investing Activities			
Interest income	3,100	1,937	5,037
Net cash provided by investing activities	<u>3,100</u>	<u>1,937</u>	<u>5,037</u>
Net change in cash and cash equivalents	53,645	44,277	97,922
Cash, beginning of year	749,991	567,858	1,317,849
Cash, end of year	<u>\$ 803,636</u>	<u>612,135</u>	<u>1,415,771</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, 2016

	Waste Water	Water	Total
Operating (loss) income	\$ (188,578)	20,064	(168,514)
Adjustments to reconcile operating income to net cash flows:			
Depreciation expense	557,123	178,740	735,863
Changes in assets and liabilities:			
Accounts receivable	(12,987)	(3,887)	(16,874)
Deferred outflows of resources	1,930	2,545	4,475
Accounts payable	-	-	-
Accrued expenses	1,736	1,234	2,970
Deposits payable	-	350	350
Net pension liability	7,070	51,142	58,212
Deferred inflows of resources	(19,823)	(46,339)	(66,162)
Net cash provided by operating activities	<u>\$ 346,471</u>	<u>203,849</u>	<u>550,320</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, 2016

ASSETS

Cash	\$ 9,526
Accounts receivable	2,541
Total assets	<u>\$ 12,067</u>

LIABILITIES

Due to other entities	\$ 12,067
Total liabilities	<u>\$ 12,067</u>

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

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, 2016

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, 2016

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 unavailable revenue on its combined balance sheet. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unavailable 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.

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

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016 in the amount of \$201,191, which consists of \$26,594 for unapplied reserve, \$47,840 for land, \$94,085 for streets, and \$32,672 for fire.

Capital Projects Fund: grant money of \$50,426 restricted by the grant document.

Other Funds

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

Corrections Fund: motor vehicle violation fee revenue of \$45,091 restricted by state statute for the costs of corrections.

Environmental Gross Receipts Tax Fund: gross receipts tax revenue of \$54,606 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 \$9 restricted by the grant document.

Fire Protection Fund: annual fire allotment of \$116,360 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 \$57,157 in the Streets Fund designated for the maintenance of Village roads, \$10,852 in the Recreation fund designated for Village recreational facilities and programs, \$64,439 in the EMS Tax Fund designated for emergency equipment and supplies, and \$20,842 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, 2016

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, 2016

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, 2016, the Village adopted the following Government Accounting Standards Board Statements (GASB):

GASB No. 72 – Fair Value Measurement and Application. The objective of this Statement is to provide guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments and disclosures related to all fair value measurements. 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, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

O. Implementation of New Accounting Standards (Continued)

GASB No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The statement will not have a material impact on the Village’s financial statements.

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, 2016, the Village’s bank balance total of \$3,389,644 was exposed to credit risk in the amount of \$2,639,644 as follows:

Uninsured and collateral held by pledging bank’s trust department not in the Village’s name	<u>\$ 2,639,644</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, 2016

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, 2016

NOTE 4. CAPITAL ASSETS

Governmental fund capital asset activity for the year ending June 30, 2016 was as follows:

	Beginning Balance	Additions	Transfers or Deletions	Ending Balance
Governmental Activities				
Capital assets, not depreciated				
Land	\$ 527,070	-	-	527,070
Construction in process	73,771	-	(68,606)	5,165
Total, not depreciated	\$ 600,841	-	(68,606)	532,235
Capital assets, depreciated				
Buildings and improvements	\$ 3,609,034	78,382	68,606	3,756,022
Vehicles	1,361,268	92,627	(24,595)	1,429,300
Machinery, equipment and furniture	1,337,990	41,811	-	1,379,801
Infrastructure	2,385,563	138,880	-	2,524,443
Total, depreciated	8,693,855	351,700	44,011	9,089,566
Accumulated depreciation for				
Buildings and improvements	1,698,593	145,965	-	1,844,558
Vehicles	974,922	21,755	-	996,677
Machinery, equipment and furniture	1,107,925	83,071	-	1,190,996
Infrastructure	933,206	121,331	-	1,054,537
Total accumulated depreciation	4,714,646	372,122	-	5,086,768
Total capital assets, depreciated, net	\$ 3,979,209	(20,422)	44,011	4,002,798
Total capital assets, net	\$ 4,580,050	(20,422)	(24,595)	4,535,033

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

General government	\$ 23,812
Public safety	212,790
Highways and streets	114,477
Culture and recreation	21,043
Total depreciation expense	\$ 372,122

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4. CAPITAL ASSETS (CONTINUED)

Enterprise fund capital asset activity for the year ending June 30, 2016 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
Total, not depreciated	\$ 1,543,336	-	-	-	1,543,336
Capital assets, depreciated:					
Waste Water:					
Buildings and improvements	\$ 13,853,949	289,218	-	-	14,143,167
Vehicles	338,134	26,038	-	-	364,172
Machinery and equipment	1,062,821	-	-	-	1,062,821
Water:					
Buildings and improvements	2,633,060	-	-	-	2,633,060
Vehicles	37,435	-	-	-	37,435
Machinery and equipment	352,111	234,045	-	-	586,156
Total, depreciated	18,277,510	549,301	-	-	18,826,811
Accumulated depreciation for:					
Waste Water	6,752,479	557,123	-	-	7,309,602
Water	1,265,585	178,740	-	-	1,444,325
Total accumulated depreciation	8,018,064	735,863	-	-	8,753,927
Total capital assets, depreciated, net	\$ 10,259,446	(186,562)	-	-	10,072,884
Total capital assets, net	\$ 11,802,782	(186,562)	-	-	11,616,220

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 5. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS

During the year ended June 30, 2016, the following changes occurred:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	49,357	37,620	(42,998)	43,979	43,979
Net pension liability	1,256,423	501,063	-	1,757,486	-
Total	\$1,305,780	538,683	(42,998)	1,801,465	43,979

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, 2016, the following changes occurred:

	Beginning Balance	Additions	Reductions/ Forgiveness	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences	\$ 5,372	10,215	(9,506)	6,081	4,650
Net pension liability	173,874	58,212	-	232,086	-
Notes payable	351,230	-	(6,282)	344,948	36,347
Bonds payable	1,200,000	1,224,161	(1,226,435)	1,197,726	23,786
Total	\$ 1,730,476	1,292,588	(1,242,223)	1,780,841	64,783

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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 \$344,948 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
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	25,747	8,905	34,652
2022 to 2026	136,668	36,592	173,260
2027 to 2031	150,892	22,368	173,260
2032 to 2035	131,946	6,662	138,608
	<u>\$ 543,290</u>	<u>115,098</u>	<u>658,388</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 were paid off in the year ending June 30, 2016 with a new series of bonds noted below.

Pursuant to ordinance 2015-02, in October 2015 the Village issued \$1,224,161 in refunding bonds. The bonds carry a 1.15% to 4.67% interest rate and are payable solely from pledged net revenue of the sewer system. Interest payments are due in June and December of each year, which principal paid in June. Yearly principal and interest payments are \$82,002. The bonds mature in June 2039.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

The future requirements for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 36,347	45,655	82,002
2018	36,910	45,092	82,002
2019	37,630	44,372	82,002
2020	38,454	43,548	82,002
2021	39,381	42,621	82,002
2022 to 2026	214,528	195,482	410,010
2027 to 2031	255,181	154,829	410,010
2032 to 2036	314,212	95,798	410,010
2037 to 2039	225,083	20,923	246,006
	<u>\$ 1,197,726</u>	<u>688,320</u>	<u>1,886,046</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, 2016

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

	Transfers In	Transfers Out
Governmental Funds		
Major Funds:		
General	\$ 222,675	68,127
Capital Projects	-	240,158
Non-major Funds	2,740	60,000
Proprietary Funds		
Waste Water	76,207	7,382
Water	258,179	184,134
Total	<u>\$ 559,801</u>	<u>559,801</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, 2016

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, 2015, available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf

Contributions – The contribution requirements of defined benefit plan members and the Village are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY15 annual audit report at:

http://www.saonm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.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 \$57,629 for the year ended June 30, 2016.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement dated June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 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, 2016, the Village reported a liability of \$699,436 for its proportionate share of the net pension liability. At June 30, 2015, the Village's proportion was 0.0686%, which increased from its proportion of 0.0668% measured as of June 30, 2014.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9. PERA PENSION PLAN (CONTINUED)

For the year ended June 30, 2016, the Village recognized PERA Municipal General Division pension expense of \$16,389. At June 30, 2016, the Village reported PERA General Fund Division deferred outflows of resources and deferred inflows of resources of \$56,802 and \$24,585, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	5,082
Change of assumption	(10,599)	17,603
Change of proportion	3,518	-
Net difference between projected and actual earnings on pension plan investments	-	1,900
Village contributions subsequent to the measurement date	63,883	-
	<u>\$ 56,802</u>	<u>24,585</u>

\$63,883 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2015, 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	\$ (32,929)
2017	(32,929)
2018	(32,929)
2019	129,740
2020	713
	<u>\$ 31,666</u>

PERA Municipal Police Division

For the PERA Municipal Police Division, at June 30, 2016, the Village reported a liability of \$1,290,137 for its proportionate share of the net pension liability. At June 30, 2015, the Village's proportion was 0.2683%, which decreased from its proportion measured of 0.2789% as of June 30, 2014.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9. PERA PENSION PLAN (CONTINUED)

For the year ended June 30, 2016, the Village recognized PERA Municipal Police Division pension expense of \$33,564. At June 30, 2016, the Village reported PERA Municipal Police Division deferred outflows of resources and deferred inflows of resources of \$50,348 and \$81,787, respectively, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	3,891
Change of assumption	4,345	36,051
Change of proportion	7,204	-
Net difference between projected and actual earnings on pension plan investments	-	10,460
Village contributions subsequent to the measurement date	104,773	-
	<u>\$ 116,322</u>	<u>50,348</u>

\$104,773 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	\$ (40,346)
2017	(40,346)
2018	(40,346)
2019	158,965
2020	<u>872</u>
	<u>\$ 38,799</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, 2014, 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, 2015, 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, 2015. 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, 2016

NOTE 9. PERA PENSION PLAN (CONTINUED)

Actuarial valuation date	June 30, 2014
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
– Projected benefit payment	100 years
– Payroll growth	3.50% annual rate
– Projected salary increases	3.50% to 14.25% annual rate
– Included inflation at	3.00% annual rate
– Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirements, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projections to 2018 using Scale AA.
– Experience study dates	July 1, 2008 to June 30, 2013

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 %	5.00 %
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	4.0	4.15
Total	100.0 %	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9. PERA PENSION PLAN (CONTINUED)

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.

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	\$ 1,190,863	699,436	290,849
	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	\$ 2,130,583	1,290,137	600,686

Pension plan fiduciary net position – Detailed information about the pension’s fiduciary net position is available in the separately issued FY15 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, 2016

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, 2016

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, 2016, 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, 2016, 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, 2016, 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, 2016, 2015 and 2014 were \$25,872, \$24,458, and \$24,203, respectively, which equal the required contributions for each year.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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 13, 2016, the date the financial statements were available to be issued. The Village had no material subsequent events from June 30, 2016 to December 13, 2016.

NOTE 13. RESTATEMENT OF NET POSITION

The Capital Projects fund was reported as a nonmajor fund in the prior year, but has been reported as a major fund in the current year. Therefore, beginning fund balance for the nonmajor funds has been decreased by \$7,495, and major funds has increased by the same amount.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
NONMAJOR FUNDS
June 30, 2016

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.

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2016

	Special Revenue		
	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
ASSETS			
Cash and cash equivalents	\$ 45,091	50,347	9
Receivables:			
Taxes:			
Gross receipts	-	4,259	-
Gasoline	-	-	-
Total assets	\$ 45,091	54,606	9
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued compensation and benefits	\$ -	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted, special revenues	45,091	54,606	9
Assigned, special revenues	-	-	-
Total fund balances	45,091	54,606	9
Total liabilities and fund balances	\$ 45,091	54,606	9

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2016

	Special Revenue		
	Law		
	Fire Protection	Enforcement Protection	Streets
ASSETS			
Cash and cash equivalents	\$ 116,360	-	170,708
Receivables:			
Taxes:			
Gross receipts	-	-	-
Gasoline	-	-	10,449
Total assets	\$ 116,360	-	181,157
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued compensation and benefits	\$ -	-	-
Unearned revenue	-	-	124,000
Total liabilities	-	-	124,000
FUND BALANCES			
Restricted, special revenues	116,360	-	-
Assigned, special revenues	-	-	57,157
Total fund balances	116,360	-	57,157
Total liabilities and fund balances	\$ 116,360	-	181,157

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2016

	Special Revenue		
	Recreation	EMS Tax	Traffic Safety
ASSETS			
Cash and cash equivalents	\$ 10,852	59,018	20,842
Receivables:			
Taxes:			
Gross receipts	-	5,993	-
Gasoline	-	-	-
Total assets	\$ 10,852	65,011	20,842
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued compensation and benefits	\$ -	572	-
Unearned revenue	-	-	-
Total liabilities	-	572	-
FUND BALANCES			
Restricted, special revenues	-	-	-
Assigned, special revenues	10,852	64,439	20,842
Total fund balances	10,852	64,439	20,842
Total liabilities and fund balances	\$ 10,852	65,011	20,842

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR FUNDS
June 30, 2016

	Total Nonmajor
ASSETS	
Cash and cash equivalents	\$ 473,227
Receivables:	
Taxes:	
Gross receipts	10,252
Gasoline	10,449
	<hr/>
Total assets	\$ 493,928
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accrued compensation and benefits	\$ 572
Unearned revenue	124,000
	<hr/>
Total liabilities	124,572
	<hr/> <hr/>
FUND BALANCES	
Restricted, special revenues	216,066
Assigned, special revenues	153,290
	<hr/>
Total fund balances	369,356
	<hr/> <hr/>
Total liabilities and fund balances	\$ 493,928
	<hr/> <hr/>

VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2016

	Special Revenue		
	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
Revenues			
Taxes	\$ -	25,643	-
Licenses, permits, fees, and fines	10,121	-	-
From non-federal sources:			
Grants	-	-	5,057
Interest	182	365	-
Other	-	-	-
Total revenues	10,303	26,008	5,057
Expenditures			
Current			
General government	-	650	-
Public safety	20,608	-	5,743
Highways and streets	-	-	-
Capital outlay	-	-	-
Total expenditures	20,608	650	5,743
(Deficiency) excess of revenues over expenditures before other financing sources	(10,305)	25,358	(686)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	(60,000)	-
Total other financing sources (uses)	-	(60,000)	-
Net change in fund balances	(10,305)	(34,642)	(686)
Fund balance, beginning of year	55,396	89,248	695
Fund balance, end of year	\$ 45,091	54,606	9

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2016**

	Special Revenue		
	Fire Protection	Law Enforcement Protection	Streets
Revenues			
Taxes	\$ -	-	43,560
Licenses, permits, fees, and fines	-	-	-
From non-federal sources:			
Grants	81,746	27,200	108,190
Interest	-	-	26
Other	-	-	-
 Total revenues	81,746	27,200	151,776
Expenditures			
Current			
General government	-	-	-
Public safety	40,858	6,473	-
Highways and streets	-	-	3,355
Capital outlay	3,835	21,205	167,004
 Total expenditures	44,693	27,678	170,359
(Deficiency) excess of revenues over expenditures before other financing sources	37,053	(478)	(18,583)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
 Total other financing sources (uses)	-	-	-
Net change in fund balances	37,053	(478)	(18,583)
Fund balance, beginning of year	79,307	478	75,740
Fund balance, end of year	\$ 116,360	-	57,157

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR FUNDS
Year Ended June 30, 2016**

	Special Revenue		
	Recreation	EMS Tax	Traffic Safety
Revenues			
Taxes	\$ -	33,436	-
Licenses, permits, fees, and fines	-	-	4,033
From non-federal sources:			
Grants	-	-	-
Interest	-	-	-
Other	-	1,860	-
Total revenues	-	35,296	4,033
Expenditures			
Current			
General government	-	-	-
Public safety	-	35,780	5,572
Highways and streets	-	-	-
Capital outlay	-	-	-
Total expenditures	-	35,780	5,572
(Deficiency) excess of revenues over expenditures before other financing sources	-	(484)	(1,539)
Other financing sources (uses)			
Operating transfers in	2,740	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	2,740	-	-
Net change in fund balances	2,740	(484)	(1,539)
Fund balance, beginning of year	8,112	64,923	22,381
Fund balance, end of year	\$ 10,852	64,439	20,842

**VILLAGE OF BOSQUE FARMS, NEW MEXICO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND
 BALANCES - NONMAJOR FUNDS
 Year Ended June 30, 2016**

	Total Non-major
Revenues	
Taxes	\$ 102,639
Licenses, permits, fees, and fines	14,154
From non-federal sources:	
Grants	222,193
Interest	573
Other	1,860
	<hr/>
Total revenues	341,419
	<hr/>
Expenditures	
Current	
General government	650
Public safety	115,034
Highways and streets	3,355
Capital outlay	192,044
	<hr/>
Total expenditures	311,083
	<hr/>
(Deficiency) excess of revenues over expenditures before other financing sources	30,336
	<hr/>
Other financing sources (uses)	
Operating transfers in	2,740
Operating transfers out	(60,000)
	<hr/>
Total other financing sources (uses)	(57,260)
	<hr/>
Net change in fund balances	(26,924)
	<hr/>
Fund balance, beginning of year	396,280
	<hr/>
Fund balance, end of year	\$ 369,356
	<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, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses, permits, fees, and fines	\$ 9,240	9,240	10,121	881
Interest	-	-	182	182
	<hr/>			
Total revenues	9,240	9,240	10,303	1,063
	<hr/>			
Expenditures				
Public safety	28,000	28,000	20,608	7,392
	<hr/>			
Net change in fund balance	(18,760)	(18,760)	(10,305)	8,455
Prior year cash appropriated	18,760	18,760	10,305	
	<hr/>			
	\$ -	-	-	
	<hr/> <hr/>			

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 24,888	24,888	25,511	623
Interest	-	-	365	365
Total revenues	24,888	24,888	25,876	988
Expenditures				
General government	1,825	1,825	650	1,175
Excess of revenues over expenditures	23,063	23,063	25,226	2,163
Other financing uses				
Operating transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing uses	(60,000)	(60,000)	(60,000)	-
Net change in fund balance	(36,937)	(36,937)	(34,774)	2,163
Prior year cash appropriated	36,937	36,937	34,774	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (34,774)	
Change from:				
Taxes receivable			132	
GAAP change in fund balance			<u>\$ (34,642)</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, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 5,257	5,282	5,057	(225)
Expenditures				
Public safety	5,952	5,977	5,743	234
Net change in fund balance	(695)	(695)	(686)	<u>9</u>
Prior year cash appropriated	695	695	686	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
FIRE PROTECTION
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Grants	\$ 81,770	81,770	81,746	(24)
Expenditures				
Public safety	81,770	81,770	40,858	40,912
Capital outlay	-	-	3,835	(3,835)
Total expenditures	81,770	81,770	44,693	37,077
Net change in fund balance	\$ -	-	37,053	37,053

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget-
				Positive (Negative)
Revenues				
Grants	\$ 27,200	27,200	27,200	-
Expenditures				
Public safety	27,678	27,678	6,473	21,205
Capital outlay	-	-	21,205	(21,205)
Total expenditures	27,678	27,678	27,678	-
Net change in fund balance	(478)	(478)	(478)	-
Prior year cash appropriated	478	478	478	
	<u>\$ -</u>	<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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget-
				Positive
				(Negative)
Revenues				
Taxes	\$ 47,000	47,000	39,842	(7,158)
Grants	258,439	258,439	232,190	(26,249)
Interest	-	-	26	26
Total revenues	305,439	305,439	272,058	(33,381)
Expenditures				
Highways and streets	-	-	3,355	(3,355)
Capital outlay	356,208	356,208	47,359	308,849
Total expenditures	356,208	356,208	50,714	305,494
Net change in fund balance	(50,769)	(50,769)	221,344	272,113
Prior year cash appropriated	50,769	50,769	-	
	\$ -	-	221,344	
Non-GAAP change in fund balance			\$ 221,344	
Change from:				
Taxes receivable			3,718	
Accounts payable			4,355	
Unearned revenue			(124,000)	
GAAP change in fund balance			\$ 105,417	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
RECREATION
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ -	-	-	-
Expenditures				
Culture and recreation	550	2,690	-	2,690
Total expenditures	550	2,690	-	2,690
Excess of revenues over expenditures	(550)	(2,690)	-	2,690
Other financing sources				
Transfers in	600	2,740	2,740	-
Total other financing sources	600	2,740	2,740	-
Net change in fund balance	\$ 50	50	2,740	2,690
Prior year cash appropriated				

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMS TAX
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 33,000	33,000	33,124	124
Other	-	-	1,860	1,860
Total revenues	33,000	33,000	34,984	1,984
Expenditures				
Public safety	33,532	46,749	35,208	11,541
Net change in fund balance	(532)	(13,749)	(224)	<u>13,525</u>
Prior year cash appropriated	532	13,749	224	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	
Non-GAAP change in fund balance			\$ (224)	
Change from:				
Taxes receivable			<u>312</u>	
GAAP change in fund balance			<u>\$ 88</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Licenses, permits, fees, and fines	\$ 9,100	9,100	4,033	(5,067)
Total revenues	9,100	9,100	4,033	(5,067)
Expenditures				
Public safety	5,000	5,655	5,572	83
Total expenditures	5,000	5,655	5,572	83
Net change in fund balance	\$ 4,100	3,445	(1,539)	(4,984)
Prior year cash appropriated			1,539	
			-	

VILLAGE OF BOSQUE FARMS, NEW MEXICO
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Other	\$ -	-	9,365	9,365
Expenditures				
Capital outlay	\$ 433,451	433,451	9,187	424,264
Excess of revenues over expenditures	(433,451)	(433,451)	178	433,629
Other financing sources				
Severance tax appropriations	441,935	441,935	239,980	(201,955)
Operating transfers out	-	-	(240,158)	(240,158)
Total other financing sources (uses)	441,935	441,935	(178)	(442,113)
Net change in fund balance	\$ 8,484	8,484	-	(8,484)
Non-GAAP change in fund balance			\$ -	
Change from:				
Grants receivable			33,744	
Accounts payable			9,187	
GAAP change in fund balance			\$ 42,931	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 719,145	729,272	677,826	(51,446)
Interest	5,000	5,000	3,100	(1,900)
Other	11,500	11,712	578	(11,134)
Total revenues	735,645	745,984	681,504	(64,480)
Expenses				
Operating	591,355	608,418	320,532	287,886
Debt service	-	-	74,234	(74,234)
Total expenditures	591,355	608,418	394,766	213,652
Excess of expenses over revenues	144,290	137,566	286,738	149,172
Other financing sources (uses)				
Operating transfers in	60,000	60,000	76,207	16,207
Operating transfers out	(148,951)	(148,951)	(7,382)	141,569
Total other financing sources (uses)	(88,951)	(88,951)	68,825	157,776
Change in net position	\$ 55,339	48,615	355,563	306,948
Non-GAAP change in fund balance			\$ 355,563	
Change from:				
Receivables			12,987	
Accrued compensation and benefits			(1,272)	
Interest payable			(4,221)	
Compensated absences			(464)	
Non-budgeted items:				
Debt service - principal			26,435	
Depreciation			(557,123)	
GAAP change in net position			<u>\$ (168,095)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 579,100	579,100	582,127	3,027
Interest income	5,000	5,000	1,937	(3,063)
Other income	30,200	42,550	15,608	(26,942)
Total revenues	614,300	626,650	599,672	(26,978)
Expenses				
Operating	534,440	546,790	385,976	160,814
Debt service	-	-	17,117	(17,117)
Total expenditures	534,440	546,790	403,093	143,697
Excess of revenues over expenditures	79,860	79,860	196,579	116,719
Other financing sources (uses)				
Operating transfers in	-	-	258,179	258,179
Operating transfers out	(209,538)	(218,337)	(184,134)	34,203
Total other financing sources (uses)	(209,538)	(218,337)	74,045	292,382
Change in net position	(129,678)	(138,477)	270,624	<u>409,101</u>
Prior year cash appropriated	129,678	138,477	-	
	\$ -	-	270,624	
Non-GAAP change in fund balance			\$ 270,624	
Change from:				
Receivables			3,887	
Accrued compensation and benefits			(989)	
Interest payable			(736)	
Compensated absences			(245)	
Non-budgeted items:				
Debt service - principal			6,282	
Depreciation			(178,740)	
GAAP change in net position			<u>\$ 100,083</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, 2016

Municipal General Division

	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.0686%	0.0668%
Village's proportionate share of the net pension liability (asset)	\$ 699,436	521,112
Village's covered-employee payroll	\$ 603,447	568,728
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	116%	92%
Plan fiduciary net position as a percentage of the total plan liability	76.99%	81.29%

Municipal Police Division

	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.2683%	0.2789%
Village's proportionate share of the net pension liability (asset)	\$ 1,290,137	909,184
Village's covered-employee payroll	\$ 554,353	526,325
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	233%	173%
Plan fiduciary net position as a percentage of the total plan liability	76.99%	81.29%

* The amounts presented were determined as of June 30, 2016. 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, 2016

Municipal General Division

	2016	2015
Contractually required contributions	\$ 57,629	54,230
Contributions in relation to the contractually required contribution	57,629	54,230
Contribution deficiency (excess)	\$ -	-
Village's covered-employee payroll	\$ 603,447	568,728
Contributions as a percentage of covered-employee payroll	9.5%	9.5%

Municipal Police Division

	2016	2015
Contractually required contributions	\$ 104,773	99,392
Contributions in relation to the contractually required contribution	104,773	99,392
Contribution deficiently (excess)	\$ -	-
Village's covered-employee payroll	\$ 554,353	526,325
Contributions as a percentage of covered-employee payroll	18.9%	18.9%

* The amounts presented were determined as of June 30, 2016. 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, 2016

Changes in Benefit Terms – The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at:

<http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>

Changes of Assumptions – The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at:

<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>

VILLAGE OF BOSQUE FARMS, NEW MEXICO
AGENCY FUNDS
June 30, 2016

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, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
MUNICIPAL JUDGE'S FUND				
ASSETS				
Cash	\$ 3,964	6,503	2,934	7,533
Accounts receivable	2,541	-	-	2,541
Total assets	\$ 6,505	6,503	2,934	10,074
LIABILITIES				
Due to other entities	\$ 6,505	6,503	2,934	10,074
Total liabilities	\$ 6,505	6,503	2,934	10,074
MUNICIPAL JUDGE'S BOND FUND				
ASSETS				
Cash	\$ 3,407	14,048	15,490	1,965
Total assets	\$ 3,407	14,048	15,490	1,965
LIABILITIES				
Due to other entities	\$ 3,407	14,048	15,490	1,965
Total liabilities	\$ 3,407	14,048	15,490	1,965
LIVING CROSS EMS				
ASSETS				
Cash	\$ -	12,185	12,156	29
Total assets	\$ -	12,185	12,156	29
LIABILITIES				
Due to other entities	\$ -	12,185	12,156	29
Total liabilities	\$ -	12,185	12,156	29
TOTAL				
ASSETS				
Cash	\$ 7,371	32,736	30,580	9,527
Accounts receivable	2,541	-	-	2,541
Total assets	\$ 9,912	32,736	30,580	12,068
LIABILITIES				
Due to other entities	\$ 9,912	32,736	30,580	12,068
Total liabilities	\$ 9,912	32,736	30,580	12,068

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF DEPOSIT ACCOUNTS
June 30, 2016

Type	Depository	Account Name	Depository Balance	Reconciled Balance
Non-Int bearing checking	US Bank	General Pooled Cash	\$ 514,696	507,711
Non-Int bearing checking	US Bank	Special Revenue Pooled Cash	348,070	323,634
Non-Int bearing checking	US Bank	Utility Enterprise Account	292,739	273,578
Non-Int bearing checking	US Bank	Payroll Account	2,982	-
Interest bearing checking	First American Bank	General Pooled Cash	300,545	300,545
Money market	US Bank	Money Market - High Wealth	604,578	604,578
CD	US Bank	Certificate of Deposit	911,305	911,305
CD	First American Bank	Certificate of Deposit	405,976	405,976
		Cash and cash equivalents - non-agency funds	<u>3,380,891</u>	<u>3,327,327</u>
		Petty cash	-	200
		Petty cash	-	150
		Total cash and cash equivalents - non-agency funds	<u>\$ 3,380,891</u>	<u>3,327,677</u>
Assets held by the New Mexico Finance Authority				
Interest bearing checking	NMFA	Debt Service	<u>\$ 82,141</u>	<u>82,141</u>
Agency funds cash accounts:				
Non-Int bearing checking	US Bank	Municipal Court Pooled Cash	<u>\$ 8,753</u>	<u>9,498</u>

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	US Bank	First American Bank	Total
Deposits at June 30, 2016	\$ 2,683,123	706,521	3,389,644
Less: FDIC coverage	500,000	250,000	750,000
Uninsured public funds	2,183,123	456,521	2,639,644
Pledged collateral held by the pledging bank's trust department or agent but not in the Village's name	3,000,000	347,994	3,347,994
Uninsured and uncollateralized	\$ -	-	-
50% pledged collateral requirement per statute	\$ 1,091,562	228,261	1,319,822
Total pledged collateral	3,000,000	347,994	3,347,994
Pledged collateral over the requirement	\$ (1,908,439)	(119,734)	(2,028,172)

Pledged collateral at June 30, 2016 consists of the following:

Security	CUSIP	Maturity	Fair Market Value	Fair Market Value	Total
FHLB of Cincinnati letter of credit	520177	NA	\$ 3,000,000	-	3,000,000
Ruidoso NM Muni School District Bor	781338HR2	8/1/2021	-	347,994	347,994
			\$ 3,000,000	347,994	3,347,994

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, 2016**

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	\$ 16,608	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.	\$ 4,983	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	\$ 25,077	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.	\$ 172,500	Village of Bosque Farms	Village of Bosque Farms

**VILLAGE OF BOSQUE FARMS
SCHEDULE OF APPROPRIATIONS
June 30, 2016**

Appropriation	Beginning Date	Ending Date	Original Amount	Funds Expended	Funds Remaining
13-L-1807	2013	06/30/2017	\$ 70,000	70,000	-
14-L-2021	2014	06/30/2018	75,000	75,000	-
14-1722-STB	2014	06/30/2018	286,000	235,574	50,426

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, 2016

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) (Based on Statutory Definition)	Was the vendor in- state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
NA	RFB	TLC Plumbing & Utility	\$ 139,185	\$ 130,372	TLC Plumbing 5000 Edith NE, Alb, NM 87107 Sparling Construction, Inc. 8900 Washington St. NE, Ste C, Alb. NM 87113 Star Paving, 3109 Love Rd. SW, Alb, NM 87121 Universal Constructors, Inc. 3825 Academy Parkway North NE, Alb, NM 87109 Custom Grading, Inc. 7916 Ranchitos Loop NW, Alb, NM 87107 Desert Fox, LLC P.O. Box 1499 Peralta, NM 87042 Salls Brothers Constructors, Inc. 7301 Reading Ave SE, Alb, NM 87105 Aztec Grading, Inc. 6919 Acoma SE, Alb, NM 87108 H.O. Construction, Inc. 118 Llano Del Sur SE, Albuquerque, NM 87105	Y	N	Pave Green Drive and replace Gurule ditch crossing.
NA	Sole Source	ESA Construction, Inc.	\$ 80,131	NA	ESA Construction, 3435 Girard Blvd. NE, Ste B, Albuquerque, NM 87107	Y	N	Front office renovation
NA	Sole Source	James, Cooke & Hobson, Inc.	\$ 271,369	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, 2016, 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 13, 2016.

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 13, 2016

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016

None

VILLAGE OF BOSQUE FARMS, NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2016

None

VILLAGE OF BOSQUE FARMS, NEW MEXICO
EXIT CONFERENCE
Year Ended June 30, 2016

An exit conference was held on December 13, 2016, and attended by the following:

Village of Bosque Farms, New Mexico

Wayne Ake, Mayor
Russell W. Walkup, Mayor Pro-Tem
Gayle Jones, Village Administrator
Michelle Fryhover, Treasurer

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.