

State of New Mexico

Village of Santa Clara
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S
REPORT THEREON

For The Fiscal Year Ended June 30, 2016

Village of Santa Clara
TABLE OF CONTENTS
 June 30, 2016

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Directory of officials	1
 FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	2-4
 BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	5-6
Statement of Activities	7-8
 <i>Fund Financial Statements:</i>	
Balance Sheet--Governmental Funds	9
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	10
Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis) General Fund	13
Statement of Net Position--Proprietary Funds	14-15
Statement of Revenues, Expenses and Changes in Net Position--Proprietary Funds	16
Statement of Cash Flows--Proprietary Funds	17-18
Statement of Fiduciary Assets and Liabilities-Agency Funds	19
Notes to Basic Financial Statements	20-41
 OTHER SUPPLEMENTARY INFORMATION:	
Fund Descriptions	42-43

Combining Balance Sheet--Nonmajor Governmental Funds	44-46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Governmental Funds	47-49
Statements of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
Special Revenue Funds:	
Fire protection	50
Juvenile recreation	51
EMS	52
Correction fees	53
Law enforcement protection	54
Economic Development	55
NMEMNRD	56
Friends of Fort Bayard	57
Cemetary	58
Animal Shelter	59
Municipal Streets	60
Capital Projects Funds:	
Street Improvements	61
RUS Grant	62
CDBG Grant	63
Enterprise Funds:	
Water and Sewer	64
Solid Waste	65
REQUIRED SUPPLEMENTAL INFORMATION:	
Schedule of Proportionate Share of Net Pension Liability of the Public Employees Retirement Association-Municipal General	66
Schedule of Contributions to the Public Employees Retirement Association-Municipal General	67
Notes to Required Supplemental Information	68
OTHER SUPPLEMENTAL DATA:	
Schedule of changes in assets and liabilities--Agency Funds	69
Schedule of Depository Collateral	70
Schedule of Individual Deposit Accounts and Investments	71
Schedule of Joint Powers Agreements	72
Schedule of Legislative Allocations	73
OTHER INFORMATION	
Schedule of Vendor Information	74

ADDITIONAL REPORTING REQUIREMENTS:

Summary Schedule of Prior Audit Findings	75
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 <i>Government Auditing Standards</i>	76-77
Schedule of Findings and Responses	78-79

State of New Mexico
Village of Santa Clara
OFFICIAL ROSTER
June 30, 2016

ELECTED OFFICIALS

Richard Bauch	Mayor
Albert Esparza	Mayor Pro-Tem
Richard Esparza	Trustee
Olga Amador	Trustee
Hector Carrillo	Trustee

ADMINISTRATIVE STAFF

Sheila Hudman	Clerk/Treasurer
---------------	-----------------

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 598-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, State Auditor
And
Mayor and Village Council
Village of Santa Clara
Santa Clara, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Village of Santa Clara, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Village of Santa Clara's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of Village of Santa Clara's nonmajor governmental funds, and the budgetary comparisons for the nonmajor special revenue funds, the capital projects funds, and the enterprise funds presented as other supplementary information, as defined by the Governmental 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Santa Clara 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 Village of Santa Clara as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor special revenue funds, the capital projects funds, and the enterprise funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information related to the Village's pension plan presented on pages 66 to 68 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 evidence sufficient to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on Village of Santa Clara's financial statements that collectively comprise the Village's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules presented as other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental data is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Vendor Information, listed as other information in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, 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 8, 2016, on our consideration of Village of Santa Clara's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 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 Village of Santa Clara's internal control over financial reporting and compliance.

Stone, McGee & Co CPAs

Silver City, New Mexico
December 8, 2016

Stone, McGee & Co.
Certified Public Accountants

Village of Santa Clara
STATEMENT OF NET POSITION
June 30, 2016

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and investments	\$ 1,042,844	\$ 21,106	\$ 1,063,950
Receivables, net	144,273	114,114	258,387
Interfund receivable	<u>68,555</u>	<u> </u>	<u>68,555</u>
Total current assets	<u>\$ 1,255,672</u>	<u>\$ 135,220</u>	<u>\$ 1,390,892</u>
Noncurrent assets:			
Restricted:			
Cash and investments	\$ -	\$ 1,569,902	\$ 1,569,902
Capital assets, net	<u>3,879,848</u>	<u>4,954,455</u>	<u>8,834,303</u>
Total noncurrent assets	<u>\$ 3,879,848</u>	<u>\$ 6,524,357</u>	<u>\$ 10,404,205</u>
Total assets	<u>\$ 5,135,520</u>	<u>\$ 6,659,577</u>	<u>\$ 11,795,097</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>\$ 33,105</u>	<u>\$ 20,926</u>	<u>\$ 54,031</u>
LIABILITIES			
Current:			
Cash overdraft	\$ -	\$ 10	\$ 10
Accounts payable	83,331	183,597	266,928
Accrued liabilities	5,599	9,671	15,270
Interfund payable		68,555	68,555
Interest payable	27	5,915	5,942
Current maturities of long-term debt	<u>34,360</u>	<u>13,593</u>	<u>47,953</u>
Total current liabilities	<u>\$ 123,317</u>	<u>\$ 281,341</u>	<u>\$ 404,658</u>
Noncurrent:			
Payable from restricted assets:			
Customer deposits	\$ -	\$ 89,348	\$ 89,348
Notes payable	48,006	208,118	256,124
Bonds payable		301,000	301,000
Net pension liability	<u>37,482</u>	<u>23,693</u>	<u>61,175</u>

Village of Santa Clara
STATEMENT OF NET POSITION (concluded)
June 30, 2016

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Compensated absences	\$ 8,675	\$ 3,064	\$ 11,739
Total noncurrent liabilities	<u>\$ 94,163</u>	<u>\$ 625,223</u>	<u>\$ 719,386</u>
Total liabilities	<u>\$ 217,480</u>	<u>\$ 906,564</u>	<u>\$ 1,124,044</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	<u>\$ 964</u>	<u>\$ 609</u>	<u>\$ 1,573</u>
NET POSITION			
Net investment in capital assets	\$ 3,797,482	\$ 4,431,744	\$ 8,229,226
Restricted for:			
Capital projects	3,192	1,391,272	1,394,464
Debt service	128	89,282	89,410
Other purposes	282,560		282,560
Unrestricted	<u>866,819</u>	<u>(138,968)</u>	<u>727,851</u>
Total net position	<u><u>\$ 4,950,181</u></u>	<u><u>\$ 5,773,330</u></u>	<u><u>\$ 10,723,511</u></u>

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

Village of Santa Clara
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 188,223	\$ 650	\$ 185,154
Public safety	591,291	57,679	105,469
Public works	150,901		17,880
Health and welfare	19,510	6,983	
Culture-recreation	11,103		
Unallocated interest expense	119		
Loan issue costs	480		
	<u>\$ 961,627</u>	<u>\$ 65,312</u>	<u>\$ 308,503</u>
Business-type activities:			
Water and sewer	\$ 857,795	\$ 610,768	\$ -
Solid waste	199,601	158,852	
	<u>\$ 1,057,396</u>	<u>\$ 769,620</u>	<u>\$ -</u>
	<u>\$ 2,019,023</u>	<u>\$ 834,932</u>	<u>\$ 308,503</u>

General revenues:
Property taxes
Gross receipts taxes
Gas taxes
Motor vehicle taxes
Franchise taxes
Interest and investment earnings
Miscellaneous
Transfers

Total general revenues

Change in net position

Net position--beginning, as originally stated

Restatement (Note18)

Net position--beginning, as restated

Change in net position

Net position--ending

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

Net (Expenses) Revenue
and Changes in Net Position

<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
\$ -	\$ (2,419)	\$ -	\$ (2,419)
	(428,143)		(428,143)
311,566	178,545		178,545
	(12,527)		(12,527)
	(11,103)		(11,103)
	(119)		(119)
	(480)		(480)
<u>\$ 311,566</u>	<u>\$ (276,246)</u>	<u>\$ -</u>	<u>\$ (276,246)</u>
\$ 1,632,196	\$ -	\$ 1,385,169	\$ 1,385,169
		(40,749)	(40,749)
<u>\$ 1,632,196</u>	<u>\$ -</u>	<u>\$ 1,344,420</u>	<u>\$ 1,344,420</u>
<u>\$ 1,943,762</u>	<u>\$ (276,246)</u>	<u>\$ 1,344,420</u>	<u>\$ 1,068,174</u>
	\$ 13,341	\$ -	\$ 13,341
	225,364	5,995	231,359
	5,004		5,004
	5,525		5,525
	41,182		41,182
	2,218	45	2,263
	83,380	26,701	110,081
	-		-
	<u>\$ 376,014</u>	<u>\$ 32,741</u>	<u>\$ 408,755</u>
	<u>\$ 99,768</u>	<u>\$ 1,377,161</u>	<u>\$ 1,476,929</u>
	\$ 4,854,697	\$ 4,416,758	\$ 9,271,455
	(4,284)	(20,589)	(24,873)
	\$ 4,850,413	\$ 4,396,169	\$ 9,246,582
	<u>99,768</u>	<u>1,377,161</u>	<u>1,476,929</u>
	<u>\$ 4,950,181</u>	<u>\$ 5,773,330</u>	<u>\$ 10,723,511</u>

Village of Santa Clara
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	CDBG	Other Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 760,289	\$ -	\$ 282,555	\$ 1,042,844
Inventory				-
Interest receivable				-
Taxes receivable	65,647		3,710	69,357
Accounts receivable				-
Assessments receivable				-
Allowance for doubtful accounts				-
Due from other governments	1,216	55,820	17,880	74,916
Interfund receivable	68,555		3,104	71,659
Total assets	\$ 895,707	\$ 55,820	\$ 307,249	\$ 1,258,776
Liabilities				
Accounts payable	\$ 9,273	\$ 55,820	\$ 18,238	\$ 83,331
Interfund payable			3,104	3,104
Salary payable	5,599			5,599
Total liabilities	\$ 14,872	\$ 55,820	\$ 21,342	\$ 92,034
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Restricted:				
General government	\$ 51,131	\$ -	\$ -	\$ 51,131
Public safety	-	-	198,351	198,351
Culture and recreation			47,566	47,566
Public works			31,236	31,236
Health and welfare			5,407	5,407
Debt Service			155	155
Capital projects			3,192	3,192
Unassigned	829,704			829,704
Total fund balance	\$ 880,835	\$ -	\$ 285,907	\$ 1,166,742
Total liabilities, deferred inflows of resources and fund balances	\$ 895,707	\$ 55,820	\$ 307,249	\$ 1,258,776

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

Village of Santa Clara
**RECONCILIATION OF TOTAL GOVERNMENTAL
 FUND BALANCE TO NET POSITION OF
 GOVERNMENTAL ACTIVITIES**

June 30, 2016

Total governmental fund balances	\$	1,166,742
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,879,848
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred inflows of resources related to pensions		(964)
Deferred outflows of resources related to pensions		33,105
Long-term liabilities are not reported in the funds:		
Net pension liability		(37,482)
Notes payable		(82,366)
Accrued interest payable		(27)
Compensated absences		(8,675)
		(128,550)
<i>Net position of governmental activities</i>	<u>\$</u>	<u>4,950,181</u>

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

Village of Santa Clara
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**
For The Fiscal Year Ended June 30, 2016

	General Fund	CDBG	Other Funds	Governmental Funds Total
Revenues:				
Property taxes	\$ 13,341	\$ -	\$ -	\$ 13,341
Gross receipts taxes	214,522		10,842	225,364
Gas taxes			5,004	5,004
Motor vehicle taxes	5,525			5,525
Franchise taxes	41,182			41,182
State intergovernmental	194,263		98,148	292,411
Federal intergovernmental		311,566	16,092	327,658
Fines, licenses and permits	43,405		18,176	61,581
Charges for services	284		3,447	3,731
Miscellaneous	37,748		47,850	85,598
	<u>\$ 550,270</u>	<u>\$ 311,566</u>	<u>\$ 199,559</u>	<u>\$ 1,061,395</u>
Expenditures:				
Current:				
General government	\$ 161,781	\$ -	\$ -	\$ 161,781
Public safety	425,794		65,075	490,869
Public works	20,724		65,535	86,259
Health and welfare	5,194		4,748	9,942
Culture recreation	3,111		34	3,145
Debt service:				
Principal			18,327	18,327
Interest			92	92
Loan issue costs			480	480
Capital outlay		311,566	167,255	478,821
	<u>\$ 616,604</u>	<u>\$ 311,566</u>	<u>\$ 321,546</u>	<u>\$ 1,249,716</u>
Revenues over (under) expenditures	\$ (66,334)	\$ -	\$ (121,987)	\$ (188,321)
Other financing sources (uses):				
Loan proceeds			63,952	63,952
Transfer in			63,104	63,104
Transfer out	(60,000)		(3,104)	(63,104)
	<u>\$ (126,334)</u>	<u>\$ -</u>	<u>\$ 1,965</u>	<u>\$ (124,369)</u>
Net change in fund balances	<u>\$ (126,334)</u>	<u>\$ -</u>	<u>\$ 1,965</u>	<u>\$ (124,369)</u>
Fund balance, July 1, 2015, as originally stated	\$ 1,007,169	\$ -	\$ 291,122	\$ 1,298,291
Restatement (Note 18)			(7,180)	(7,180)
Fund balance, July 1, 2015, as restated	\$ 1,007,169	\$ -	\$ 283,942	\$ 1,291,111
Net change in fund balances	<u>(126,334)</u>	<u>-</u>	<u>1,965</u>	<u>(124,369)</u>
Fund balance, June 30, 2016	<u>\$ 880,835</u>	<u>\$ -</u>	<u>\$ 285,907</u>	<u>\$ 1,166,742</u>

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

Village of Santa Clara
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES**
June 30, 2016

Net change in fund balances-total governmental funds \$ (124,369)

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

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 as
depreciation expense.

Capital outlay	478,821
Depreciation expense.	(196,426)

Governmental funds report pension contributions as expenditures. However
in the Statement of Activities, the cost of pension benefits earned net of
employee contributions is reported as pension expense

Pension contributions	33,105
Cost of benefits earned net of employee contributions	(46,089)

Bond and loan proceeds are reported as financing sources
in the funds. In the Statement of Activities, however, issuing
debt increases long-term liabilities.

(63,952)

Repayment of debt is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement of Net Assets.

18,327

In the Statement of Activities, interest is accrued on outstanding
bonds, whereas in governmental funds, an interest expenditure
is reported when due. This is the net change during the year.

(27)

Some expenses reported in the Statement of Activities, such as
compensated absences, do not require the use of current
financial resources and therefore are not reported as
expenditures in the funds. This is the net change during the year.

378

Change in Net Position of Governmental Activities

\$ 99,768

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

Village of Santa Clara
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 208,243	\$ 241,696	\$ 241,696	\$ -
State sources	393,483	185,154	185,154	-
Federal sources				-
Fines, licenses and permits	52,200	41,506	41,504	(2)
Charges for services	800	284	284	-
Miscellaneous	16,800	43,025	45,552	2,527
Total revenues	\$ 671,526	\$ 511,665	\$ 514,190	\$ 2,525
Expenditures:				
Current:				
General government	\$ 200,739	\$ 175,538	\$ 162,174	\$ 13,364
Public safety	545,750	459,997	423,932	36,065
Public works	17,500	21,000	20,626	374
Health and welfare	5,240	5,240	5,137	103
Culture recreation	5,000	4,300	3,111	1,189
Principle				-
Interest				-
Capital outlay				-
Total expenditures	\$ 774,229	\$ 666,075	\$ 614,980	\$ 51,095
Revenues over (under) expenditures	\$ (102,703)	\$ (154,410)	\$ (100,790)	\$ 53,620
Other financing sources (uses):				
Transfer in		1,043		(1,043)
Transfer out			(60,000)	(60,000)
Net change in fund balance	\$ (102,703)	\$ (153,367)	\$ (160,790)	\$ (7,423)
Fund balance, July 1, 2015	989,634	989,634	989,634	-
Fund balance, June 30, 2016	<u>\$ 886,931</u>	<u>\$ 836,267</u>	<u>\$ 828,844</u>	<u>\$ (7,423)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ (126,334)
Revenue accruals (net)				(36,080)
Expenditure accruals (net)				1,624
Other financing sources (net)				-
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ (160,790)</u>

Village of Santa Clara
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2016

	Water/Sewer	Solid Waste	Total
Assets			
Current:			
Cash and investments	\$ -	\$ 21,106	\$ 21,106
Receivables, net of allowances:			
Accounts	83,221	29,243	112,464
Taxes		1,650	1,650
Total current assets	\$ 83,221	\$ 51,999	\$ 135,220
Noncurrent assets:			
Restricted:			
Cash and investments	\$ 1,569,902	\$ -	\$ 1,569,902
Capital assets (net)	4,954,455		4,954,455
Total noncurrent assets	\$ 6,524,357	\$ -	\$ 6,524,357
Total assets	\$ 6,607,578	\$ 51,999	\$ 6,659,577
Deferred Outflows of Resources			
Related to pensions	\$ 20,926	\$ -	\$ 20,926
Liabilities			
Current:			
Cash overdraft	\$ 10	\$ -	\$ 10
Accounts payable	178,029	5,568	183,597
Accrued liabilities	9,671		9,671
Interfund payable	68,555		68,555
Interest payable	5,915		5,915
Current maturities of long-term debt	13,593		13,593
Total current liabilities	\$ 275,773	\$ 5,568	\$ 281,341
Noncurrent liabilities:			
Payable from restricted assets			
Customer deposits	\$ 89,348	\$ -	\$ 89,348
Net pension liability	23,693	-	23,693
Compensated absences	3,064		3,064
Notes payable	208,118		208,118
Bonds payable	301,000		301,000
Total noncurrent liabilities	\$ 625,223	\$ -	\$ 625,223
Total liabilities	\$ 900,996	\$ 5,568	\$ 906,564

Village of Santa Clara
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (concluded)
 June 30, 2016

	Water/Sewer	Solid Waste	Total
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	\$ 609	\$ -	\$ 609
Unavailable revenue			-
	\$ 609	\$ -	\$ 609
Net Position			
Net investment in capital assets	\$ 4,431,744	\$ -	\$ 4,431,744
Restricted for:			
Debt service	89,282		89,282
Capital projects	1,391,272		1,391,272
Unrestricted	(185,399)	46,431	(138,968)
Total net position	\$ 5,726,899	\$ 46,431	\$ 5,773,330

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

Village of Santa Clara
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 610,768	\$ 158,852	\$ 769,620
Operating expenses:			
Personnel	\$ 219,390	\$ -	\$ 219,390
Operating	507,553	199,601	707,154
Depreciation	120,571		120,571
Total operating expenses	\$ 847,514	\$ 199,601	\$ 1,047,115
Net operating income	\$ (236,746)	\$ (40,749)	\$ (277,495)
Nonoperating revenue (expense):			
Investment income	\$ 45	\$ -	\$ 45
Gross receipts taxes		5,995	5,995
State grants	1,632,196		1,632,196
Federal grants			-
Miscellaneous revenue	26,701		26,701
Interest expense	(10,281)		(10,281)
Total nonoperating revenue (expense)	\$ 1,648,661	\$ 5,995	\$ 1,654,656
Net income before operating transfers	\$ 1,411,915	\$ (34,754)	\$ 1,377,161
Transfers:			
In			-
Out			-
Change in net position	<u>\$ 1,411,915</u>	<u>\$ (34,754)</u>	<u>\$ 1,377,161</u>
Net position, beginning of year, as originally stated	\$ 4,335,573	\$ 81,185	\$ 4,416,758
Restatement (Note 18)	<u>(20,589)</u>	<u>-</u>	<u>(20,589)</u>
Net position, beginning of year, as restated	\$ 4,314,984	\$ 81,185	\$ 4,396,169
Change in net position	<u>1,411,915</u>	<u>(34,754)</u>	<u>1,377,161</u>
Net position, end of year	<u>\$ 5,726,899</u>	<u>\$ 46,431</u>	<u>\$ 5,773,330</u>

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

Village of Santa Clara
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Water & Sewer	Solid Waste	Total
Cash flows from operating activities:			
Receipts from customers	\$ 606,491	\$ 142,926	\$ 749,417
Payments to suppliers	(334,744)	(189,891)	(524,635)
Payments to employees	(213,259)		(213,259)
Net cash provided (used) by operating activities	<u>\$ 58,488</u>	<u>\$ (46,965)</u>	<u>\$ 11,523</u>
Cash flows from noncapital financing activities:			
Dedicated tax receipts	\$ -	\$ 5,013	\$ 5,013
Intergovernmental grants	1,647,274		1,647,274
Collections of notes receivable			-
Interfund activity	79,527		79,527
Miscellaneous collections	26,701		26,701
Transfers from other funds			-
Transfers to other funds			-
Net cash provided (used) by noncapital financing activities	<u>\$ 1,753,502</u>	<u>\$ 5,013</u>	<u>\$ 1,758,515</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (667,458)	\$ -	\$ (667,458)
Borrowings on capital debt	215,124		215,124
Principal paid on capital debt	(8,713)		(8,713)
Interest paid on capital debt	(10,450)		(10,450)
Net cash provided (used) by capital and related financing activities	<u>\$ (471,497)</u>	<u>\$ -</u>	<u>\$ (471,497)</u>
Cash flows from investing activities:			
Earnings on investments	\$ 45	\$ -	\$ 45
Net cash provided (used) by investing activities	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 45</u>
Net increase (decrease) in cash and equivalents	\$ 1,340,538	\$ (41,952)	\$ 1,298,586
Cash and equivalents, beginning of year	<u>229,354</u>	<u>63,058</u>	<u>292,412</u>
Cash and equivalents, end of year	<u><u>\$ 1,569,892</u></u>	<u><u>\$ 21,106</u></u>	<u><u>\$ 1,590,998</u></u>

Village of Santa Clara
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (concluded)
For the Fiscal Year Ended June 30, 2016

	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (236,746)	\$ (40,749)	\$ (277,495)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	120,571		120,571
Changes in assets and liabilities:			
Receivables, net	(5,417)	(11,640)	(17,057)
Accounts payable	172,809	5,424	178,233
Accrued expenses	9,548		9,548
Customer deposits	1,140		1,140
Compensated absences	(3,417)		(3,417)
Net cash provided (used) by operating activities	<u>\$ 58,488</u>	<u>\$ (46,965)</u>	<u>\$ 11,523</u>

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

Village of Santa Clara
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2016

	Agency Funds
Assets	
Cash and investments	\$ 425
Receivables	
	425
Total assets	\$ 425
 Liabilities and Fund Equity	
Deposits held for others	\$ 425
Interfund payable	
	425
Total liabilities	\$ 425

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

Village of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 Summary of Significant Accounting Policies

A. GENERAL

Village of Santa Clara, a political subdivision of the State of New Mexico, operates under the Council-mayor form of government. The Village provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and Local Governments, through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

B. FINANCIAL REPORTING ENTITY

The Village's basic financial statements include the accounts of all Village operations. The criteria for include organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village has no component units. In prior years, the Village reported its Housing Authority as a component unit. The Village evaluated this reporting as disclosed in Note 16, and determined that the Housing Authority was a related organization under professional standards.

C. BASIS OF PRESENTATION

Governmental-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the Village and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Village and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Funds

The Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general obligation bonds of the Village other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the Village's general obligation bonds. The Village currently has no general obligation bonds outstanding.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Note included in government-wide statements)

Agency Funds

Agency funds account for assets held by the Village in a purely custodial capacity. The reporting entity includes four agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Agency funds are as follows:

Municipal Court Bond Fund – to account for the cash collected for bonds posted by defendants.

Major Funds

These funds classified as major are as follows:

General – accounts for all activities except those accounted for in other funds.

CDBG – to account for the revenues and expenditures associated with construction and renovation of Village streets funded by the federal government, and is a Capital Project Fund.

Non-major Funds

Fund description for all funds are included in the "Other Supplementary Information" section of this report.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item “b” below:

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or non-current) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from non-exchange transactions are recognized when the earnings process is complete. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Revenues that are not available are recorded as deferred outflows of resources. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. BUDGETS

Budgets for the General, Special Revenue, Capital Projects, and Enterprise Funds are prepared by management and approved by the local governing body and the New Mexico Department of Finance and Administration.

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

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Council approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

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

F. CASH AND INVESTMENTS

For the purpose of the Statement of Net Position, “cash and investments” includes all demand, savings accounts, and certificates of deposits of the Village. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurer’s investment pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the Village. The pledged securities remain in the name of the financial institution.

G. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

H. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use

taxes, franchise taxes, and grants. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

I. CAPITAL ASSETS

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings 25-50 years
- Improvements 10-50 years
- Machinery and Equipment 03-10 years
- Infrastructure 25-75 years
- Software and Library 5-10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Assets acquired with an original cost of \$5,000 or more are capitalized. Construction period interest is capitalized in proprietary funds.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will not be recognized as an outflow or resource (expenses/expenditures) until then. The Government has deferred outflows related to pensions as discussed in Note 8.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The Government has deferred inflows of resources related to pensions as disclosed in Note 8.

K. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

L. COMPENSATED ABSENCES

The Village's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

M. EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding

- balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
 - c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

The Village has implemented GASB Statement 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 balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain 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 government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body 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 adoption of a resolution or a vote of the Council. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes). Expenditures are normally made from the most highly constrained group first.

N. REVENUES, EXPENDITURES, AND EXPENSES

Gross Receipts Tax

The Village levies a gross receipts tax on taxable gross receipts within the Village. The rate includes both Village and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the Village in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the Village in July and August have been accrued and are included under the caption "Taxes Receivable".

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the Village by the County Treasurer, and are remitted to the Village in the month following collection. Because the Treasurer of the County in which the Village is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable County to the Village.

The Village is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the Village. The Village's total tax rate to finance general government services for the year ended June 30, 2016 was \$1.424 per \$1,000 for non-residential property and \$.692 for residential property. The Village's tax rate for debt service was \$.00 per \$1,000 for both residential and nonresidential property.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year-end are reported as deferred inflows of resources in the fund statements.

Operating Revenues and Expenses

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character: Current (further classified by function)
 Debt Service
 Capital Outlay

Proprietary Fund – By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

The Village first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The Village does not allocate indirect costs.

O. INTER-FUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

P. USE OF ESTIMATES

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the Governments deposits may not be returned to it. The Village does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2016, \$133,634 of the Village's bank balance of \$1,265,912 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized		<u>\$ 133,634</u>
	<u>Bank</u>	<u>Carrying</u>
	<u>Balance</u>	<u>Amount</u>
Deposits by custodial risk category:		
Insured	\$ 250,000	\$ 250,000
Collateral held by the pledging bank's agent in the Village's name	882,278	882,278
Uninsured and uncollateralized	<u>133,634</u>	<u>89,438</u>
	<u>\$ 1,265,912</u>	<u>\$ 1,221,716</u>

The Village does not have a risk policy beyond that required by State Statute.

The cash on deposit with NMFA is, in effect, loan proceeds or payments made by the Village but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$1,391,427.

The Village invests in the State Treasurer Local Governmental Investment Pool, a New Mexico sponsored investment alternative.

The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Sections 6-10-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts fund were invested.

Investments are valued at amortized cost.

Participation in the pool is voluntary. The Village has \$20,449 on deposit in the pool at June 30, 2016, which is AAAM rated with a weighted average maturity of 44 days.

Note 3 Receivables

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accounts receivable:		
Services (net)	\$ -0-	\$ 112,464
Franchise tax	\$ 9,015	\$
Property taxes	595	
Gross receipts tax	131,767	1,650
Motor Vehicle Taxes	846	
Gas Tax	<u>834</u>	<u> </u>
Total taxes receivable	<u>\$ 143,057</u>	<u>\$ 1,650</u>
Intergovernmental grants	<u>\$ 1,216</u>	<u>\$ -0-</u>
Total	<u>\$ 144,273</u>	<u>\$ 114,114</u>

The Village believes all receivables are collectible, therefore, no allowance for doubtful accounts has been established.

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 28,131	\$	\$	\$ 28,131
Construction in progress	<u>105,227</u>	<u>349,961</u>	<u> </u>	<u>455,188</u>
Total capital assets not being depreciated	<u>\$ 133,358</u>	<u>\$ 349,961</u>	<u>\$ -0-</u>	<u>\$ 483,319</u>
Capital assets being depreciated:				
Buildings/Improvements/Infrastructure	\$ 4,373,714	\$ 65,388	\$	\$ 4,439,102
Equipment/vehicles/machinery	<u>1,173,142</u>	<u>63,472</u>	<u> </u>	<u>1,236,614</u>
Total capital assets being depreciated	<u>\$ 5,546,856</u>	<u>\$ 128,860</u>	<u>\$ -</u>	<u>\$ 5,675,716</u>
Less accumulated depreciation for:				
Buildings/Improvements/Infrastructure	\$ (1,099,850)	\$ (125,335)	\$	\$ (1,225,185)
Equipment/vehicles/machinery	<u>(982,911)</u>	<u>(71,091)</u>	<u> </u>	<u>(1,054,002)</u>
Total accumulated depreciation	<u>\$ (2,082,761)</u>	<u>\$ (196,426)</u>	<u>\$ -</u>	<u>\$ (2,279,187)</u>
Total capital assets being depreciated, net	<u>\$ 3,464,095</u>	<u>\$ (67,566)</u>	<u>\$ -</u>	<u>\$ 3,396,529</u>
Governmental activity, capital assets, net	<u>\$ 3,597,453</u>	<u>\$ 282,395</u>	<u>\$ -</u>	<u>\$ 3,879,848</u>

Other business-type activity programs:

	Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
Capital assets not being depreciated:				
Land and land improvements	\$ -	\$ -	\$ -	\$ -
Construction in progress	<u>114,404</u>	<u>660,436</u>	<u>-</u>	<u>774,840</u>
Total capital assets not being depreciated	<u>\$ 114,404</u>	<u>\$ 660,436</u>	<u>\$ -</u>	<u>\$ 774,840</u>
Capital assets being depreciated:				
Equipment	\$ 435,982	\$ 7,022	\$ -	\$ 443,004
Buildings/Improvements	124,820			124,820
Infrastructure	<u>4,979,936</u>			<u>4,979,936</u>
Total capital assets being depreciated	<u>\$ 5,540,738</u>	<u>\$ 7,022</u>	<u>\$ -</u>	<u>\$ 5,547,760</u>
Less accumulated depreciation:				
Equipment	\$ (306,496)	\$ (16,345)	\$ -	\$ (322,841)
Buildings/Improvements	(19,994)	(6,056)		(26,050)
Infrastructure	<u>(921,084)</u>	<u>(98,170)</u>		<u>(1,019,254)</u>
Total accumulated depreciation	<u>\$ (1,247,574)</u>	<u>\$ (120,571)</u>	<u>\$ -</u>	<u>\$ (1,368,145)</u>
Total capital assets being depreciated, net	<u>\$ 4,293,164</u>	<u>\$ (113,549)</u>	<u>\$ -</u>	<u>\$ 4,179,615</u>
Other business-type activity programs capital assets, net	<u>\$ 4,407,568</u>	<u>\$ 546,887</u>	<u>\$ -</u>	<u>\$ 4,954,455</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 24,575
Public Safety	90,356
Public Works	64,642
Health and welfare	8,895
Culture-recreation	<u>7,958</u>
	<u>\$ 196,426</u>

Note 5 Accrued Expenses

At June 30, 2016, accrued expenses consisted of the following:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accruals payroll and benefits	\$ 5,599	\$ 9,671
	<u>\$ 5,599</u>	<u>\$ 9,671</u>

Note 6 Long-Term Debt

Changes in governmental activities long-term debt is as follows:

Governmental Activities

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Notes payable	\$ 36,741	\$ 63,952	\$ 18,327	\$ 82,366	\$ 34,360

Fire Department Loan – This loan is for equipment. The loan is secured by the State Fire Allotments. The revenues pledged totaled \$18,460 at June 30, 2016, which is 25% of the future state fire allotments at their current rate. Interest rates range from 0% to .1% for individually scheduled retirements, and the loan matures in 2017. During the year ended June 30, 2016, the Village recognized \$73,960 in pledged revenues, and retired \$18,419 in loan principal and interest.

Law Enforcement – This loan is for police vehicles. The loan is secured by State Law Enforcement Allocations. The revenues pledged totaled \$64,136 at June 30, 2016, which is 72% of allocations at their current rate. Interest is .1%, and maturity rates range from 2017-2020. During the year ended June 30, 2016, the Village recognized \$22,400 in pledged revenues, and retired \$-0- in loan principal and interest.

Business-Type Activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Rev Bond 2008	\$ 92,000	\$	\$ 1,000	\$ 91,000	\$ 1,000
Rev Bond 2010	218,000		3,000	215,000	4,000
NMFA Colonias	6,300	17,319	1,313	22,306	4,091
NMFA Water Meter		56,106		56,106	3,189
Water System Improv		62,815	2,241	60,574	1,313
Wastewater Improv		78,884	1,159	77,725	-
	<u>\$ 316,300</u>	<u>\$ 215,124</u>	<u>\$ 8,713</u>	<u>\$ 522,711</u>	<u>\$ 13,593</u>

Series 2008 and 2010 Revenue Bonds – These bonds were issued to make improvements to the Village Water and Sewer systems. The bonds are secured by water and sewer system revenues, and bear interest from 3% to 4.25%. These revenues pledged total \$523,768 at June 30, 2016, which is 2.5% of revenues at the current rate. Maturity dates range from 2017 through 2051. During the year ended June 30, 2016, the Village recognized \$610,768 in pledged revenues, and retired \$14,450 in bond principal and interest. The Bond ordinances require that reserves of \$54,225 be established. The Village currently has \$89,282 reserved.

NMFA Loans – These loans were obtained to make improvements to the water and sewer systems. The loans are secured by water and sewer system revenues, and bear interest at 0%. The revenues pledged totaled \$216,711 at June 30, 2016, which is 17.7% of revenues at their current rate. Maturity dates range from 2017 to 2036. During the year ended June 30, 2016, the Village recognized \$610,768 in pledged revenues, and retired \$4,713 in loan principal and interest.

The annual debt service requirements are as follows:

	<u>Governmental Activities</u>		<u>Proprietary Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Due in year ending:				
2017	\$ 34,360	\$ 134	\$ 13,593	\$ 10,318
2018	15,986	48	22,525	10,155
2019	16,002	32	22,547	9,993
2020	16,018	16	22,569	9,830
2021			22,592	9,668
2022-2026			94,192	45,475
2027-2031			77,954	39,900
2032-2037			73,739	33,718
2038-2042			49,000	26,009
2043-2047			59,000	16,995
2048-2051			65,000	5,707
	<u>\$ 82,366</u>	<u>\$ 230</u>	<u>\$ 522,711</u>	<u>\$ 217,768</u>

Compensated absences in governmental activities were as follows:

	<u>Balance July 1, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2016</u>	<u>Due in One Year</u>
Compensated absences	<u>\$ 6,997</u>	<u>\$ 18,801</u>	<u>\$ 17,123</u>	<u>\$ 8,675</u>	<u>\$ -0-</u>

Changes in Proprietary Funds Long-Term Debt were as follows during the year ended June 30, 2016:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due in</u> <u>One Year</u>
Compensated absences	\$ 3,963	\$ 5,850	\$ 6,749	\$ 3,064	\$ -0-

All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

Note 7 Pension Plan – Public Employees Retirement Association

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

Benefits Provided – For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June

30, 2015 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202015.pdf).

Contributions – The contribution requirements of defined benefit plan members and Village of Santa Clara 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 at <http://osanm.org/media/audits/366PublicEmployeesRetirementAssociation2015.pdf>. The PERA coverage options that apply to the Village are the Municipal General. Statutorily required contributions to the pension plan from the Village were \$16.2% and employer paid member benefits that were “picked up” by the employer were \$-0- for the year ended June 30, 2016.

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village’s proportion of the net pension liability for each member 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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division – Municipal General, at June 30, 2016, the Village reported a liability of \$61,175 for its proportionate share of the net pension liability. At June 30, 2015, the Village’s proportion was .0060 percent, and was -0- percent measured as of June 30, 2014, since the Village began participating in 2015.

For the year ended June 30, 2016, the Village recognized PERA Fund Division Municipal General pension expense of \$29,734. At June 30, 2016, the Village reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,355
Changes of assumptions	-	24
Net difference between projected and actual earnings on pension plan investments	-	194
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	35,741	
The Village's contributions subsequent to the measurement date	<u>18,290</u>	<u>-</u>
Total	<u>\$ 54,031</u>	<u>\$ 1,573</u>

\$18,290 reported as deferred outflows of resources related to pensions resulting from 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 10,294
2018	10,294
2019	10,294
2020	3,286

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 forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value

Actuarial assumptions:

- Investment rate of return 7.75% annual rate, net of investment expense
- Payroll growth 3.50% annual rate
- Projected salary increases 3.50% to 14.25% annual rate
- Includes inflation at 3.00% annual rate

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

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

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

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the

Village's net pension liability in each PERA Fund Division that the 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	Current Discount Rate	1% Increase
PERA Fund Division Municipal General	<u>(6.75%)</u>	<u>(7.75%)</u>	<u>(8.75%)</u>
The Village's proportionate share of the net pension liability	\$ <u>104,157</u>	\$ <u>61,175</u>	\$ <u>25,439</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Note 8 Retiree Health Care Act Contributions

The Village does not participate in the Retiree Health Care Act.

Note 9 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 10 Future Commitments

The Village has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments, and approximate \$1,500,000 at June 30, 2016.

Note 11 Risk Management

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The Village pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage. No losses in excess of insurance coverage have been experienced.

Note 12 Expenditures in Excess of Budgetary Authority

The Village incurred no expenditures in excess of budgetary authority.

Note 13 Fund Balance Deficits

The Village had no fund balance deficits at June 30, 2016.

Note 14 Inter-fund Activity

Inter-fund balances at June 30, 2016, consisted of the following:

	<u>Governmental Activities</u>		<u>Business-Like Activities</u>	
	<u>Inter-Fund Payable</u>			
	<u>General Fund</u>	<u>Other Funds</u>	<u>Water Sewer</u>	<u>Total</u>
<u>Inter-Fund Receivable</u>				
General	\$	\$	\$ 68,555	\$ 68,555
Other Funds	_____	3,104	_____	3,104
	<u>\$ -0-</u>	<u>\$ 3,104</u>	<u>\$ 68,555</u>	<u>\$ 71,659</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses.

Inter-fund transfers were as follows during the year ended June 30, 2016:

<u>Transfers From</u>	<u>Transfers To Other Funds</u>	<u>Total</u>
General	\$ 60,000	\$ 60,000
Other Funds	3,104	3,104
	<u>\$ 63,104</u>	<u>\$ 63,104</u>

The transfers were made to fund construction projects and provide operating funds.

Note 15 Restricted Net Position

Net position restricted for other purposes consist of special revenue fund balances which are restricted by legislation to specific purposes. The restricting legislation is listed in the fund descriptions appearing at the beginning of Other Supplementary Information. Major restrictions are as follows:

Fire	\$ 136,628
Recreation	45,092

Corrections	47,103
Other	<u>53,737</u>

\$ 282,560

The Village reports \$1,766,434 in restricted assets, of which \$1,766,434 is restricted by enabling legislation.

Note 16 Related Organizations

The Village of Santa Clara appoints a voting majority of the Board of the Santa Clara Housing Authority.

The Village is not financially accountable for the Housing Authority, and no financial benefit/burden relationship exists.

No transactions, between the parties other than the payment of utility bills by the Housing Authority to the Village, exist.

Note 17 Evaluation of Subsequent Events

The Village has evaluated subsequent events through December 8, 2016, the date which the financial statements were available to be issued.

Note 18 Restatement

During the year ended June 30, 2016, the Village presented a net pension liability for the first time. This required restatement in both the governmental activities and the water and sewer proprietary fund.

Prior to the year ended June 30, 2016, construction projects were carried in the Capital Projects Funds but were Water and Sewer proprietary fund expenditures. This required restatement in the Water and Sewer proprietary fund.

Finally, customer deposits were misstated at June 30, 2015 in the Water and Sewer proprietary fund, necessitating a restatement for the error correction.

	Governmental Activities	Colonias Capital Project Fund	Water & Sewer Proprietary Fund
Pension recognition	\$ 2,896	\$	\$ 1,831
Capital Project Reclassification		(7,180)	7,180
Customer deposits error corrections	<u>(7,180)</u>	<u> </u>	<u>(29,600)</u>
	<u>\$ (4,284)</u>	<u>\$ (7,180)</u>	<u>\$ (20,589)</u>

Prior year net positions/fund balances have been restated to show the effects of the changes where necessary.

Special Revenue Funds

Fire Protection – to account for the revenues from the State Fire Allotment and the public safety related expenditure. Authority NMSA 59-15-1.

Juvenile Recreation – to account for the revenues generated by cigarette taxes that are restricted to expenditures for recreational purposes. Authority NMSA 7-12-15.

Correction Fees – to account for the fees collected by the Municipal Judge, which are legally restricted to expenditures for jail, related costs. Authority NMSA 33-3-25.

Law Enforcement Protection – to account for the State grant to be used for the repair and/or replacement of law enforcement equipment. Authority NMSA 23-13-1.

Animal Shelter – to account for the General Fund transfers to be used for animal shelter activity. This fund was authorized by Town resolution.

EMS Grant – to account for the operations and maintenance of medical service equipment for the Town. Authority is NMSA 24-10A-6.

Municipal Streets – to account for the gasoline tax distribution imposed by Chapter 7, Article 13 NMSA 1978.

Economic Development – to account for the State grant for Economic Development authorization is Village Council.

NMEMNRD – to account for Federal resources to be used to improve outdoor recreation. Authority is the Village Council.

Friends of Fort Bayard – to account for donations from private entities to develop the Fort Bayard Complex. Authorization is the Village Council.

Cemetery - to account for the operation of the Village Cemetery. Authorization is the Village Council.

Capital Projects Funds

CDBG/Colonias Projects – to account for federal funds passed through the State Department of Finance and Administration to be used for several infrastructure improvement projects. Authorized by Federal regulation.

RUS – to account for the Federal proceeds to improve Water and Wastewater distribution lines.

Street Improvement – to account for the Co-op agreement with the State Highway Department to improve Village streets. Authorized by Village Council.

Enterprise Fund

Water and Sewer Fund – to account for the provisions of water and sewer services to applicable users. All activities necessary to provide such services are accounted for in this fund.

Solid Waste Fund – to account for the provisions of garbage collection services to applicable users. All activities necessary to provide such service are accounted for in this fund.

Village of Santa Clara
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	Special Revenue Funds			
	Corrections	EMS	Fire Protection	Law Enforcement Protection
Assets				
Cash and investments	\$ 47,103	\$ 5,068	\$ 136,769	\$ 9,675
Taxes receivable				
Interfund receivable				
Due from other governments				
Total assets	\$ 47,103	\$ 5,068	\$ 136,769	\$ 9,675
Liabilities				
Accounts payable	\$ -	\$ -	\$ 109	\$ -
Interfund payable				
Total liabilities	\$ -	\$ -	\$ 109	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted:				
Public safety	\$ 47,103	\$ 5,068	\$ 136,628	\$ 9,552
Culture and recreation				
Public works				
Health and Welfare				
Debt service			32	123
Capital Projects				
Unassigned				
Total fund balance	\$ 47,103	\$ 5,068	\$ 136,660	\$ 9,675
Total liabilities, deferred inflows of resources and fund balances	\$ 47,103	\$ 5,068	\$ 136,769	\$ 9,675

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

Special Revenue Funds

<u>Municipal Streets</u>	<u>Juvenile Recreation</u>	<u>Economic Development</u>	<u>NMEMNRD</u>	<u>Friends of Fort Bayard</u>	<u>Cemetary</u>	<u>Animal Shelter</u>
\$ 4,242 3,710	\$ 45,092	\$ 19,644	\$ 6,993	\$ 2,474	\$ 174	\$ 5,233
<u>17,880</u>						
<u>\$ 25,832</u>	<u>\$ 45,092</u>	<u>\$ 19,644</u>	<u>\$ 6,993</u>	<u>\$ 2,474</u>	<u>\$ 174</u>	<u>\$ 5,233</u>
\$ 18,129 3,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 21,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ - 4,599	\$ - 45,092	\$ - 19,644	\$ - 6,993	\$ - 2,474	\$ - 174	\$ - 5,233
<u>\$ 4,599</u>	<u>\$ 45,092</u>	<u>\$ 19,644</u>	<u>\$ 6,993</u>	<u>\$ 2,474</u>	<u>\$ 174</u>	<u>\$ 5,233</u>
<u>\$ 25,832</u>	<u>\$ 45,092</u>	<u>\$ 19,644</u>	<u>\$ 6,993</u>	<u>\$ 2,474</u>	<u>\$ 174</u>	<u>\$ 5,233</u>

Village of Santa Clara
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	Capital Projects Funds		
	RUS Grant	Street Improvements	Total
Assets			
Cash and investments	\$ 44	\$ 44	\$ 282,555
Taxes receivable			3,710
Interfund receivable		3,104	3,104
Due from other governments			17,880
Total assets	\$ 44	\$ 3,148	\$ 307,249
Liabilities			
Accounts payable	\$ -	\$ -	\$ 18,238
Interfund payable			3,104
Total liabilities	\$ -	\$ -	\$ 21,342
Deferred Inflows of Resources			
Unavailable revenue	\$ -	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ -
Fund balances:			
Restricted:			
Public safety	\$ -	\$ -	\$ 198,351
Culture and recreation			47,566
Public works			31,236
Health and Welfare			5,407
Debt service			155
Capital projects	44	3,148	3,192
Unassigned			-
Total fund balance	\$ 44	\$ 3,148	\$ 285,907
Total liabilities, deferred inflows of resources and fund balances	\$ 44	\$ 3,148	\$ 307,249

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

Village of Santa Clara
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2016

	Special Revenue Funds			
	Corrections	EMS	Fire Protection	Law Enforcement Protection
Revenues:				
GRT Taxes	\$ -	\$ -	\$ -	\$ -
Gas taxes				
Charges for services				
State sources			73,960	22,400
Federal sources				
Fines, licenses and permits	18,176			
Miscellaneous			105	123
	<u>18,176</u>		<u>105</u>	<u>123</u>
Total revenues	\$ 18,176	\$ -	\$ 74,065	\$ 22,523
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	6,949		42,266	15,860
Public works				
Health and welfare				
Culture recreation				
Debt service:				
Principle			18,327	
Interest			92	
Loan issue costs				480
Capital outlay				63,472
	<u>6,949</u>	<u>-</u>	<u>60,685</u>	<u>79,812</u>
Total expenditures	\$ 6,949	\$ -	\$ 60,685	\$ 79,812
Revenues over (under) expenditures	\$ 11,227	\$ -	\$ 13,380	\$ (57,289)
Other financing sources (uses):				
Transfer in				
Transfer (out)				
Loan proceeds				63,952
	<u>11,227</u>	<u>-</u>	<u>13,380</u>	<u>6,663</u>
Net changes in fund balances	\$ 11,227	\$ -	\$ 13,380	\$ 6,663
Fund balance, July 1, 2015, as originally stated	\$ 35,876	\$ 5,068	\$ 123,280	\$ 3,012
Restatement (Note 18)				
Fund balance, July 1, 2015, as restated	\$ 35,876	\$ 5,068	\$ 123,280	\$ 3,012
Net change in fund balances	<u>11,227</u>	<u>-</u>	<u>13,380</u>	<u>6,663</u>
Fund balance, June 30, 2016	<u>\$ 47,103</u>	<u>\$ 5,068</u>	<u>\$ 136,660</u>	<u>\$ 9,675</u>

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

Special Revenue Funds

<u>Municipal Streets</u>	<u>Juvenile Recreation</u>	<u>Economic Development</u>	<u>EMENRD</u>	<u>Friends of Fort Bayard</u>	<u>Cemetary</u>	<u>Animal Shelter</u>
\$ 10,842 5,004 1,788 16,092	\$ -	\$ -	\$ -	\$ -	\$ - 750	\$ - 2,697
<u>33,726</u>	<u>45,100</u>	<u>22</u>	<u>-</u>	<u>2,500</u>	<u>750</u>	<u>2,697</u>
\$ - 15,157	\$ - 8	\$ - 50,378	\$ -	\$ - 26	\$ - 3,924	\$ - 824
<u>83,268</u>	<u>8</u>	<u>50,378</u>	<u>-</u>	<u>26</u>	<u>3,924</u>	<u>824</u>
\$ 98,425	\$ 8	\$ 50,378	\$ -	\$ 26	\$ 3,924	\$ 824
\$ (64,699) 60,000 (3,104)	\$ 45,092	\$ (50,356)	\$ -	\$ 2,474	\$ (3,174)	\$ 1,873
<u>(7,803)</u>	<u>45,092</u>	<u>(50,356)</u>	<u>-</u>	<u>2,474</u>	<u>(3,174)</u>	<u>1,873</u>
<u>\$ 12,402</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 6,993</u>	<u>\$ 3,348</u>	<u>\$ 3,360</u>	
\$ 12,402	\$ -	\$ 70,000	\$ 6,993	\$ -	\$ 3,348	\$ 3,360
<u>(7,803)</u>	<u>45,092</u>	<u>(50,356)</u>	<u>-</u>	<u>2,474</u>	<u>(3,174)</u>	<u>1,873</u>
<u>\$ 4,599</u>	<u>\$ 45,092</u>	<u>\$ 19,644</u>	<u>\$ 6,993</u>	<u>\$ 2,474</u>	<u>\$ 174</u>	<u>\$ 5,233</u>

Village of Santa Clara
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
For The Fiscal Year Ended June 30, 2016

	Capital Projects Funds			
	RUS Grant	Colonias Grant	Street Improvements	Total
Revenues:				
GRT Taxes	\$ -	\$ -	\$ -	\$ 10,842
Gas taxes				5,004
Charges for services				3,447
State sources				98,148
Federal sources				16,092
Fines, licenses and permits				18,176
Miscellaneous				47,850
Total revenues	\$ -	\$ -	\$ -	\$ 199,559
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety				65,075
Public works				65,535
Health and welfare				4,748
Culture recreation				34
Debt service:				
Principle				18,327
Interest				92
Loan issue costs				480
Capital outlay			20,515	167,255
Total expenditures	\$ -	\$ -	\$ 20,515	\$ 321,546
Revenues over (under) expenditures	\$ -	\$ -	\$ (20,515)	\$ (121,987)
Other financing sources (uses):				
Transfer in			3,104	63,104
Transfer (out)				(3,104)
Loan proceeds				63,952
Net change in fund balances	\$ -	\$ -	\$ (17,411)	\$ 1,965
Fund balance, July 1, 2015, as originally stated	\$ 44	\$ 7,180	\$ 20,559	\$ 291,122
Restatement (Note 18)		(7,180)		(7,180)
Fund balance, July 1, 2015, as restated	\$ 44	\$ -	\$ 20,559	283,942
Net change in fund balances	-	-	(17,411)	1,965
Fund balance, June 30, 2016	\$ 44	\$ -	\$ 3,148	\$ 285,907

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

Village of Santa Clara
SPECIAL REVENUE FUND - FIRE PROTECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 83,351	\$ 85,803	\$ 85,802	\$ (1)
 Expenditures:				
Current:				
Public safety	90,450	66,683	61,300	5,383
Net change in fund balance	\$ (7,099)	\$ 19,120	\$ 24,502	\$ 5,382
Fund balance, July 1, 2015	7,099	7,099	112,235	105,136
Fund balance, June 30, 2016	\$ -	\$ 26,219	\$ 136,737	\$ 110,518
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 13,380	
Revenue accruals (net)			11,767	
Expenditure accruals (net)			(645)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 24,502	

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

Village of Santa Clara
SPECIAL REVENUE FUND - JUVENILE RECREATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Other taxes	\$ -	\$ 45,100	\$ 45,100	\$ -
Expenditures:				
Current:				
Culture and recreation	\$ -	\$ 10	\$ 8	\$ 2
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ 10	\$ 8	\$ 2
Revenues over (under) expenditures	\$ -	\$ 45,090	\$ 45,092	\$ 2
Other financing sources (uses):				
Transfer in (out)	-	-	-	-
Net change in fund balance	\$ -	\$ 45,090	\$ 45,092	\$ 2
Fund balance, June 30, 2015	-	-	-	-
Fund balance, June 30, 2016	\$ -	\$ 45,090	\$ 45,092	\$ 2
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 45,092	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 45,092	

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

Village of Santa Clara
SPECIAL REVENUE FUND - EMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, June 30, 2015	-	-	5,068	5,068
Fund balance, June 30, 2016	\$ -	\$ -	\$ 5,068	\$ 5,068
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Village of Santa Clara
SPECIAL REVENUE FUND - CORRECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Fines, licenses, and permits	\$ 22,500	\$ 18,252	\$ 18,176	\$ (76)
Expenditures:				
Current:				
Public safety	\$ 12,500	\$ 7,900	\$ 7,574	\$ 326
Capital outlay				-
Total expenditures	\$ 12,500	\$ 7,900	\$ 7,574	\$ 326
Revenues over (under) expenditures	\$ 10,000	\$ 10,352	\$ 10,602	\$ 250
Other financing sources (uses):				
Transfer in (out)				-
Net change in fund balance	\$ 10,000	\$ 10,352	\$ 10,602	\$ 250
Fund balance, June 30, 2015			36,501	36,501
Fund balance, June 30, 2016	\$ 10,000	\$ 10,352	\$ 47,103	\$ 36,751
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 11,227	
Revenue accruals (net)				
Expenditure accruals (net)			(625)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 10,602	

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

Village of Santa Clara
SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 22,400	\$ 22,400	\$ 22,400	\$ -
Expenditures:				
Current:				
Public safety	\$ 25,000	\$ 18,100	\$ 16,029	\$ 2,071
Capital outlay				-
Total expenditures	\$ 25,000	\$ 18,100	\$ 16,029	\$ 2,071
Net change in fund balance	\$ (2,600)	\$ 4,300	\$ 6,371	\$ 2,071
Fund balance, July 1, 2015	2,600	2,600	3,181	581
Fund balance, June 30, 2016	\$ -	\$ 6,900	\$ 9,552	\$ 2,652
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 6,663	
Revenue accruals (net)			(123)	
Expenditure accruals (net)			63,783	
Other financing sources (net)			(63,952)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 6,371	

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

Village of Santa Clara
SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 22	\$ 22	\$ 22	\$ -
Expenditures:				
Current:				
Public works	\$ 70,022	\$ 70,022	\$ 50,378	\$ 19,644
Capital outlay				-
Total expenditures	<u>\$ 70,022</u>	<u>\$ 70,022</u>	<u>\$ 50,378</u>	<u>\$ 19,644</u>
Revenues over (under) expenditures	\$ (70,000)	\$ (70,000)	\$ (50,356)	\$ 19,644
Other financing sources (uses):				
Transfer in/(out)				-
Net change in fund balance	\$ (70,000)	\$ (70,000)	\$ (50,356)	\$ 19,644
Fund balance, June 30, 2015	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Fund balance, June 30, 2016	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,644</u></u>	<u><u>\$ 19,644</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (50,356)	
Revenue accruals (net)				
Transfer accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (50,356)</u></u>	

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

Village of Santa Clara
SPECIAL REVENUE FUND - NMEMNRD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Culture recreation	\$ -	\$ -	\$ -	\$ -
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in (out)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, June 30, 2015	<u> </u>	<u> </u>	<u>6,993</u>	<u>6,993</u>
Fund balance, June 30, 2016	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,993</u></u>	<u><u>\$ 6,993</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Village of Santa Clara
SPECIAL REVENUE FUND - FRIENDS OF FORT BAYARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Expenditures:				
Current:				
Culture recreation	\$ 2,500	\$ 2,500	\$ 26	\$ 2,474
Capital outlay				-
Total expenditures	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 26</u>	<u>\$ 2,474</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ 2,474	\$ 2,474
Other financing sources (uses):				
Transfer in (out)				-
Net change in fund balance	\$ -	\$ -	\$ 2,474	\$ 2,474
Fund balance, June 30, 2015			-	-
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,474</u>	<u>\$ 2,474</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,474	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 2,474</u>	

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

Village of Santa Clara
SPECIAL REVENUE FUND - CEMETARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 2,000	\$ 750	\$ 750	\$ -
Expenditures:				
Current:				
Health and welfare	\$ 2,000	\$ 3,962	\$ 3,924	\$ 38
Total expenditures	\$ 2,000	\$ 3,962	\$ 3,924	\$ 38
Revenues over (under) expenditures	\$ -	\$ (3,212)	\$ (3,174)	\$ 38
Other financing sources (uses):				
Transfer in				-
Net change in fund balance	\$ -	\$ (3,212)	\$ (3,174)	\$ 38
Fund balance, June 30, 2015		3,348	3,348	-
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 174</u>	<u>\$ 38</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (3,174)	
Revenue accruals (net)				
Expenditure accruals (net)				
Transfer accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (3,174)</u>	

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

Village of Santa Clara
SPECIAL REVENUE FUND - ANIMAL SHELTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 1,500	\$ 2,696	\$ 2,697	\$ 1
Expenditures:				
Health and welfare	\$ 3,900	\$ 1,040	\$ 824	\$ 216
Total expenditures	\$ 3,900	\$ 1,040	\$ 824	\$ 216
Revenues over (under) expenditures	\$ (2,400)	\$ 1,656	\$ 1,873	\$ 217
Other financing sources (uses):				
Transfer in (out)				-
Net change in fund balance	\$ (2,400)	\$ 1,656	\$ 1,873	\$ 217
Fund balance, June 30, 2015	3,360	3,360	3,360	-
Fund balance, June 30, 2016	\$ 960	\$ 5,016	\$ 5,233	\$ 217
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,873	
Revenue accruals (net)				
Expenditure accruals (net)				
Transfer accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,873	

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

Village of Santa Clara
SPECIAL REVENUE FUND - MUNICIPAL STREETS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 13,104	\$ 13,104	\$ 13,998	\$ 894
Miscellaneous		24,952	24,953	1
Total revenues	\$ 13,104	\$ 38,056	\$ 38,951	\$ 895
Expenditures:				
Current:				
Public works	\$ 13,500	\$ 108,350	\$ 105,037	\$ 3,313
Capital outlay				-
Total expenditures	\$ 13,500	\$ 108,350	\$ 105,037	\$ 3,313
Revenues over (under) expenditures	\$ (396)	\$ (70,294)	\$ (66,086)	\$ 4,208
Other financing sources (uses):				
Transfer in		60,000	60,000	-
Transfer out				-
Net change in fund balance	\$ (396)	\$ (10,294)	\$ (6,086)	\$ 4,208
Fund balance, July 1, 2015	10,328	10,328	10,328	-
Fund balance, June 30, 2016	\$ 9,932	\$ 34	\$ 4,242	\$ 4,208
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (7,803)	
Revenue accruals (net)			5,225	
Expenditure accruals (net)			(6,612)	
Other financing sources (net)			3,104	
Net change in fund balance, NON-GAAP budgetary basis			\$ (6,086)	

The accompanying notes are an integral part of these financial statements

Village of Santa Clara
CAPITAL PROJECT FUND - STREET IMPROVEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 89,000	\$ -	\$ (89,000)
Expenditures:				
Current:				
Public works		\$ -	\$ -	\$ -
Capital outlay		89,000	23,318	65,682
Total expenditures	\$ -	\$ 89,000	\$ 23,318	\$ 65,682
Revenues over (under) expenditures	\$ -	\$ -	\$ (23,318)	\$ (23,318)
Other financing sources (uses):				
Transfer in				-
Net change in fund balance	\$ -	\$ -	\$ (23,318)	\$ (23,318)
Fund balance, July 1, 2015			23,362	23,362
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 44</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (17,411)	
Revenue accruals (net)				
Expenditure accruals (net)			(2,803)	
Transfer accruals (net)			<u>(3,104)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (23,318)</u>	

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

Village of Santa Clara
CAPITAL PROJECTS FUND - RUS GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public works				\$ -
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in				-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015			44	44
Fund balance, June 30, 2016	\$ -	\$ -	\$ 44	\$ 44
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Village of Santa Clara
CAPITAL PROJECT FUND - CDBG GRANT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 500,000	\$ 500,000	\$ 253,388	\$ (246,612)
Expenditures:				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Capital outlay	500,000	500,000	253,388	246,612
Total expenditures	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 253,388</u>	<u>\$ 246,612</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in				-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2015				-
Fund balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(58,178)	
Expenditure accruals (net)			58,178	
Transfer accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Village of Santa Clara
ENTERPRISE FUNDS - WATER AND SEWER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -		\$ -	\$ -
State sources			36,494	36,494
Federal sources	1,632,000	1,632,000	35,791	(1,596,209)
Charges for services	605,032	619,694	593,214	(26,480)
Earnings on investments				-
Miscellaneous	191,180	171,980	107,560	(64,420)
Total revenues	\$ 2,428,212	\$ 2,423,674	\$ 773,059	\$ (1,650,615)
Expenses:				
Personnel	\$ -	\$ 213,311	\$ 213,260	\$ 51
Operating	901,938	680,561	580,439	100,122
Capital outlay	1,632,000	1,632,000	90,289	1,541,711
Debt service:				
Principal				-
Interest				-
Total expenses	\$ 2,533,938	\$ 2,525,872	\$ 883,988	\$ 1,641,884
Revenues over (under) expenses	\$ (105,726)	\$ (102,198)	\$ (110,929)	\$ (8,731)
Other financing sources (uses):				
Transfers in				-
Transfers out				-
Loan proceeds				-
Net changes in retained earnings	\$ (105,726)	\$ (102,198)	\$ (110,929)	\$ (8,731)
Retained earnings, July 1, 2015	229,354	229,354	220,994	(8,360)
Retained earnings, June 30, 2016	\$ 123,628	\$ 127,156	\$ 110,065	\$ (17,091)
Budgetary reconciliation:				
Net change in retained earnings, GAAP basis			\$ 1,411,915	
Revenue accruals (net)			(1,496,651)	
Expenditure accruals (net)			(26,193)	
Other financing sources (uses)				
Net change in retained earnings, NON-GAAP budgetary basis			\$ (110,929)	

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

Village of Santa Clara
ENTERPRISE FUNDS - SOLID WASTE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 5,000	\$ 5,014	\$ 11,084	\$ 6,070
Charges for services	144,000	142,927	136,855	(6,072)
Miscellaneous	-	-	-	-
Total revenues	\$ 149,000	\$ 147,941	\$ 147,939	\$ (2)
Expenses:				
Personnel	\$ -	-	\$ -	\$ -
Operating	205,700	151,840	151,837	3
Capital outlay	-	38,055	38,054	1
Principle	-	-	-	-
Interest	-	-	-	-
Total expenses	\$ 205,700	\$ 189,895	\$ 189,891	\$ 4
Revenues over (under) expenses	\$ (56,700)	\$ (41,954)	\$ (41,952)	\$ 2
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Net change in retained earnings	\$ (56,700)	\$ (41,954)	\$ (41,952)	\$ 2
Retained earnings, July 1, 2015	63,058	63,058	63,058	-
Retained earnings, June 30, 2016	\$ 6,358	\$ 21,104	\$ 21,106	\$ 2
Budgetary reconciliation:				
Net change in retained earnings, GAAP basis			\$ (34,754)	
Revenue accruals (net)			(16,908)	
Expenditure accruals (net)			9,710	
Other financing sources (uses)			-	
Net change in retained earnings, NON-GAAP budgetary basis			\$ (41,952)	

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

Village of Santa Clara
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF
PERA FUND DIVISION MUNICIPAL GENERAL
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION)(PERA) PLAN
LAST 10 FISCAL YEARS***

	2016	2015
Village of Santa Clara's proportion of the net pension liability	.0060%	-0-
Village of Santa Clara's proportionate share of the net pension liability	\$ 61,175	\$ -
Village of Santa Clara's covered employee payroll	\$ 247,162	\$ 63,878
Village of Santa Clara's proportionate share of the net pension liability as a percentage of its covered-employee payroll	25%	N/A
Plan fiduciary net position as a percentage of the total pension liability	77%	81%

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

Village of Santa Clara
**SCHEDULE OF CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION (PERA) PLAN-PERA FUND DIVISION MUNICIPAL GENERAL
*LAST 10 FISCAL YEARS**

	2016	2015
Contractually required contributions	\$ 18,290	\$ 4,727
Contributions in relation to contractually required contribution	(18,290)	(4,727)
Contribution deficiency (excess)	\$ -	\$ -
Village of Santa Clara's covered-employee payroll	\$ 247,162	63,878
Contributions as a percentage of covered-employee payroll	7.40%	7.40%

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

Village of Santa Clara
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2016

Change 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.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202015.pdf).

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

http://www.pera.state.nm.us/pdf/Investment/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report_FINAL.pdf.

The Summary of Key Findings for the PERA Fund (on page 2 of the report) states “The return on the actuarial value of assets was 7.64% compared to the expected return of 7.75%. The total increase to the unfunded actuarial accrued liability is \$410 million and results in a decrease to the funded ratio from 75.8% to 74.9%.” For details about the actuarial assumptions, see Appendix B on page 53 of the report.

Village of Santa Clara
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Municipal Court Bond				
Cash and investments	\$ 264	\$ 4,000	\$ 3,839	\$ 425
Receivables				-
Total assets	<u>\$ 264</u>	<u>\$ 4,000</u>	<u>\$ 3,839</u>	<u>\$ 425</u>
Liabilities				
Due to others	<u>\$ 264</u>	<u>\$ 4,000</u>	<u>\$ 3,839</u>	<u>\$ 425</u>

Village of Santa Clara
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2016

	First American	Total
Checking and CD's	\$ 1,265,912	\$ 1,265,912
Less: FDIC insurance	(250,000)	(250,000)
Total uninsured public funds	\$ 1,015,912	\$ 1,015,912
50% collateralization requirement (Section 6-10-17 NMSA)	\$ 507,956	\$ 507,956
Pledged Securities:		
FHLB 077581MS2 8/1/22	\$ 150,533	\$ 150,533
FHLB 521513AG6 7/15/17	221,616	221,616
FHLB 077581NQ5 8/1/17	35,829	35,829
FHLB 364010NS3 8/1/17	103,083	103,083
FHLB 550340EC3 8/1/25	371,217	371,217
Total pledged securities	\$ 882,278	\$ 882,278
Pledged securities over (under) requirement	\$ 374,322	\$ 374,322

Securities pledged are held by First American Bank, Artesia, NM.
 Safekeeping receipts are held by the Village.

Village of Santa Clara
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2016

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>First American</u>			
General	Checking	\$ 693,327	\$ 649,140
Street Improvement	Checking	44	44
RUS	Checking	44	44
Animal Shelter	Checking	5,183	5,183
RUS Phase II	Checking	57,684	57,684
Economic Development	Checking	19,644	19,644
Drinking Water	Checking	(10)	(10)
Friends of Fort Bayard	Checking	2,474	2,474
Splash Park	Checking	45,092	45,092
Municipal Court	Checking	434	425
RUS Asset Management	Checking	25,539	25,539
Debt Service RUS	Checking	6,059	6,059
Colonias	Checking	1	1
CDBG	Checking	2	2
CD	CD	101,580	101,580
CD	CD	101,806	101,806
CD	CD	207,009	207,009
Total First American		<u>\$ 1,265,912</u>	<u>\$ 1,221,716</u>
<u>LGIP</u>			
General	LGIP	<u>\$ 20,449</u>	<u>\$ 20,449</u>
Total LGIP		<u>\$ 20,449</u>	<u>\$ 20,449</u>
<u>NMFA</u>			
Cash on deposit with paying agent	NMFA	<u>\$ 1,391,427</u>	<u>\$ 1,391,427</u>
Cash on hand			<u>\$ 675</u>
Total cash and investments		<u>\$ 2,677,788</u>	<u>\$ 2,634,267</u>

Village of Santa Clara
SCHEDULE OF JOINT POWERS AGREEMENTS
For the Fiscal Year Ended June 30, 2016

Joint Wastewater Plant Agreement

Participants	Village of Santa Clara City of Bayard Fort Bayard Special District
Responsible party	City of Bayard
Description	Operation and maintenance of joint use sewer system
Dates of agreement	Agreement began September 11, 1963 and remains in effect until cancelled by the participating governments
Amount of project	Varies
Audit responsibility	City of Bayard
Fiscal agent	City of Bayard

Village of Santa Clara
SCHEDULE OF LEGISLATIVE ALLOCATIONS
 June 30, 2016

	SCADA Well Improvements <u>14-1631-STB</u>
Original appropriation	\$ 174,000
Additions/Deletions	<u>-</u>
Amended appropriation	<u>\$ 174,000</u>
Expended through June 30, 2016	\$ 98,966
Encumbrances	<u>-</u>
Total committed	<u>\$ 98,966</u>
Project expiration date	6/30/2017

Village of Santa Clara
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2016
Prepared by Staff: Sheila Hudman

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
6028	Village of Santa Clara	Local										Write Redevelopment /Business Plan Fort Bayard	
6028	New Mexico Village of Santa Clara	Government	RFB 2016-1	Consulting	Pros Consulting	Winner	\$70,000.00	\$6,119.59	Indianapolis, IN	No	No		
6028	New Mexico Village of Santa Clara	Local		Splash Pad Construction	Creative Recreation Designs	Loser			Rio Rancho, NM	Yes	No	Install with fixtures 2100 sqft splash pad	
6028	New Mexico Village of Santa Clara	Government	RFB 2016-2	Splash Pad Construction	Splash Zone	Winner	\$180,000.00	\$3,600.00	Mesa, Arizona	No	No	Install with fixtures 2100 sqft splash pad Rewire Well & booster sights install SCADA System	
6028	New Mexico Village of Santa Clara	Local	SCL1501X Bid	Competitive bid Construction	DeMent Electric	Winner	\$206,831.00	\$4,244.00	Silver City, NM	Yes	No		
6028	New Mexico Village of Santa Clara	Government	SCL1403C Bid	Competitive bid Construction	Burn Construction	Loser			Las Cruces, NM	Yes	No	Sidewalks and Lighting Bayard Street	
6028	New Mexico Village of Santa Clara	Local		Competitive bid Construction	South West Concrete	Loser			Silver City, NM	Yes	No	Sidewalks and Lighting Bayard Street	
6028	New Mexico Village of Santa Clara	Government	SCL1403C Bid	Competitive bid Construction	Spartan Construction	Loser			Santa Teresa, NM	Yes	No	Sidewalks and Lighting Bayard Street	
6028	New Mexico Village of Santa Clara	Local		Competitive bid Construction	Deming Excavating	Winner	\$388,523.34	\$22,205.96	Deming, NM	Yes	No	Sidewalks and Lighting Bayard Street	
6028	New Mexico Village of Santa Clara	Government	SCL1403C Bid	Competitive bid Construction	Ducross, Construction	Loser			Las Cruces, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Local		Competitive bid Construction	Burn, Construction	Loser			Las Cruces, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Government	SCL1502M	Competitive bid Construction	Kave Construction	Loser			Aztec, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Local		Competitive bid Construction	Morrow Enterprises	Loser			Las Cruces, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Government	SCL1502M	Competitive bid Construction	Highland Enterprises	Loser			Las Cruces, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Local		Competitive bid Construction	Smithco Construction	Loser			Cabello, NM	Yes	No	Install Radio Read Meters	
6028	New Mexico Village of Santa Clara	Government	SCL1502M	Competitive bid Construction	File Construction	Winner	\$294,410.76	-\$3,656.35	Albuquerque, NM	Yes	No	Install Radio Read Meters	

Village of Santa Clara
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2016

Findings – Financial Statement Audit	<u>Current Status</u>
2015-001 Insufficient staff available	Resolved
2015-002 Late audit report	Resolved
2015-003 PERA reporting inaccurate	Repeated as Finding 2016-001

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, State Auditor
And
Mayor and Village Council
Village of Santa Clara
Santa Clara, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Village of Santa Clara as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Village of Santa Clara's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the Village presented as other supplementary information, and have issued our report thereon dated December 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Santa Clara'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 Village of Santa Clara'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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Santa Clara's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2016-001 and 2016-002.

Village of Santa Clara's Responses to Findings

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

Purpose of this Report

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

Stone, McGee & Co CPAs

Silver City, New Mexico
December 8, 2016

Stone, McGee & Co.
Certified Public Accountants

Village of Santa Clara
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2016

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Village of Santa Clara.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of Village of Santa Clara, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Village of Santa Clara expended less than \$750,000 in federal funds.

FINDINGS – FINANCIAL STATEMENT AUDIT

2016-001 (2015-003) Public Employees Retirement Association (PERA) Reporting (Other Noncompliance)

Condition – The Village's reporting to PERA were not accurate. Reports related to covered payroll and contributions made were not reconciled to the general ledger and payroll subsidiary ledgers.

A corrective action plan was put in place, and is currently operating effectively, however, early in the fiscal year, before enactment of the corrective action plan, the reports were not accurate.

Criteria – Chapter 10, Article 11 NMSA 1978 – Public Employees Retirement Act sets for the requirements for contributions and reporting requirements for the various plans administered by the Association.

Effect – There is an increased likelihood that incorrect amounts could be credited to individual employees, and PERA could assess financial penalties.

Cause – 2015 was the first year that the Village participated in the plan, and the employee assigned to produce the reports was not appropriately trained or supervised.

Recommendation – We recommend that the Village analyze the earlier reports that were wrong, and provide PERA with the appropriate corrections.

Agency Response – The Village is currently in the process of correcting the reports with the help of PERA personnel. It is believed that the corrections will be made before June 30, 2017, and the Village Clerk is overseeing the process.

2016-002 Travel and Per Diem (Other Noncompliance)

Condition – In a test of 14 transactions, we noted 2 instances where the travel request was not signed by the traveler; 8 instances where the Village was reimbursing at a rate below the threshold required by the Per Diem and Mileage Act; 6 instances where mileage reimbursed was not consistent with map mileage; and 4 instances where the travel reimbursement was not approved.

Criteria – The Per Diem and Mileage Act, Sections 10-8-1 to 10-8-8 NMSA 1978 requires, in part, that travel requests be properly signed by the traveler and approved by appropriate personnel, that reimbursements be at approved rates, and that mileage reimbursements be evidenced either by map mileages or actual odometer readings.

Effect – There is an increased likelihood that reimbursements can be made without proper authorization, and that the reimbursements will not be at approved rates.

Cause – For a period of time during the year, the Village was understaffed, and supervisory personnel were unable to oversight each travel reimbursement request as it was processed.

Recommendation – We recommend that the Village establish a procedure to ensure that travel reimbursements are properly requested and approved. We further recommend that the Village make such reimbursements at approved rates, based on correct mileage reporting.

Agency Response – We now have sufficient personnel to allow supervisory personnel to review travel reimbursements, and have already implemented procedures to do so. The Village Clerk will oversee the enforcement of this procedure.

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s. However, the management of Village of Santa Clara has acknowledged its responsibility for the financial statements and has taken responsibility for them.

EXIT CONFERENCE

The contents of this report were discussed December 6, 2016. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Richard Bauch	Mayor	Village of Santa Clara
Sheila Hudman	Clerk/Treasurer	Village of Santa Clara
Mike Stone	Shareholder	Stone, McGee & Co., CPAs