

**STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
FINANCIAL STATEMENTS**

**June 30, 2009**

**(With Independent Auditor's Report Thereon)**

**Prepared by**

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STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

(With Independent Auditor's Reports Thereon)

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STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

OFFICIAL ROSTER  
June 30, 2009

Elected Officials

John H. Garcia - Mayor

Wanona Maestas - Mayor Pro-Tem

Edmond Temple - Trustee

Emmett Cart Jr. - Trustee

John Merhege - Trustee

Administration

Diane D. Lewis - Treasurer/HR Director

Ona Trujillo - Clerk

INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor  
and  
John H. Garcia, Mayor  
and The Board of Trustees  
Village of Jemez Springs  
Jemez Springs, New Mexico

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of Village of Jemez Springs ("Village") as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. I have also audited the financial statements of each of the Village's nonmajor governmental funds, the respective budgetary comparisons, and the major capital projects fund budgetary comparison presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.


In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the

Village, as of June 30, 2009, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and the respective changes in financial position and cash flows, thereof and the respective budgetary comparisons of the nonmajor governmental funds, the capital project fund, and enterprise funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated November 18, 2009, on my consideration of the Village of Jemez Springs' internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the result of my audit.

The management's discussion and analysis information on pages 3 through 10, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements that collectively comprise the Village's financial statements and budgetary comparisons. The introductory section and Schedule of Changes in Assets and Liabilities for Agency Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
November 18, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of Jemez Springs' financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Village's financial statements, which begins on page 11.

### Financial Highlights

The Village of Jemez Springs' net assets increased 14 percent as a result of this year's operations. Net assets of our business-type activities decreased by \$40,391, or nearly 1 percent, due to administration fees transferred to the general fund and net assets of our governmental activities increased by \$704,330, or nearly 15 percent, due to completion of the walkway, purchase of police vehicle and performing arts stage and sound equipment.

During the year, the Village of Jemez Springs had expenses that were \$569,240 less than the receipts generated in tax and other revenues, including capital project monies, for governmental programs (before special items and transfers); in comparison to last year, when revenues exceeded expense by \$404,068.

In the Village of Jemez Springs' business-type activities, operating revenues increased to \$459,323 from \$456,776 and expenses decreased to \$434,373 from \$442,854 in 2008.

Total cost of all of the Village of Jemez Springs' governmental programs increased by \$52,787, or nearly 10 percent, with one new program added this year. This increase is due to increased personnel and new performing arts fund.

The general fund reported an decrease this year of \$1,106.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 11 and 12) provide information about the activities of the Village of Jemez Springs as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were



financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

#### Reporting the Village of Jemez Springs as a Whole

Our analysis of the Village as a whole begins on page 11. One of the most important questions asked about the Village's finances is, "Is the Village of Jemez Springs as a whole better off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Based on the current year activities, the Village is better off financially.

These two statements report the Village's net assets and changes in them. You can think of the Village's net assets - the difference between assets and liabilities - as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village of Jemez Springs.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into two kinds of activities:

Government activities - Most of the Village's basic services are reported here, including the police, fire, public works, public library, and general administration. Gross receipts tax, property taxes, franchise fees, and state and federal grants finance most of these activities.

Business-type activities - The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's Sewer System and Bath House facilities are reported here.

## Reporting the Village's Most Significant Funds

Our analysis of the Village's major funds begins on page 13. The fund financial statements begin on page 13 and provide detailed information about the most significant funds - not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Trustees establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the New Mexico Environment Department). The Village's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental funds - Most of the Village of Jemez Springs' basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual account, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 14.

Proprietary funds - When the Village of Jemez Springs charges customers for the services it provides - whether to outside customers or to other units of the Village - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The Village of Jemez Springs as Trustee

The Village is the trustee, or fiduciary, for its trust and agency monies. All of the Village's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 23 and 68. We exclude these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Analysis of the Village as a Whole

This section will discuss and analyze significant differences. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Village's governmental and business-type activities.

Table 1  
Village of Jemez Springs  
Net Assets  
(In Thousands)

|   | <u>Governmental<br/>Activities</u> |                 | <u>Business-Type<br/>Activities</u> |                 | <u>Total</u>    |                 |
|---|------------------------------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|
|   | <u>2009</u>                        | <u>2008</u>     | <u>2009</u>                         | <u>2008</u>     | <u>2009</u>     | <u>2008</u>     |
| Current and other assets                        | \$ 428                             | \$ 352          | \$ 85                               | \$ 67           | \$ 513          | \$ 419          |
| Capital assets                                  | <u>3,339</u>                       | <u>2,578</u>    | <u>1,953</u>                        | <u>2,016</u>    | <u>5,292</u>    | <u>4,594</u>    |
| Total assets                                    | <u>3,767</u>                       | <u>2,930</u>    | <u>2,038</u>                        | <u>2,083</u>    | <u>5,805</u>    | <u>5,013</u>    |
| Long-term debt outstanding                      | 84                                 | 75              | 19                                  | 25              | 103             | 100             |
| Other liabilities                               | <u>175</u>                         | <u>51</u>       | <u>35</u>                           | <u>34</u>       | <u>210</u>      | <u>85</u>       |
| Total liabilities                               | <u>259</u>                         | <u>126</u>      | <u>54</u>                           | <u>59</u>       | <u>313</u>      | <u>185</u>      |
| Net assets                                      |                                    |                 |                                     |                 |                 |                 |
| Invested in capital assets, net of related debt | 3,233                              | 2,467           | 1,928                               | 1,986           | 5,161           | 4,453           |
| Restricted                                      | 103                                | 161             | -                                   | -               | 103             | 161             |
| Unrestricted                                    | <u>472</u>                         | <u>176</u>      | <u>56</u>                           | <u>38</u>       | <u>228</u>      | <u>214</u>      |
| Total net assets                                | \$ <u>3,508</u>                    | \$ <u>2,804</u> | \$ <u>1,984</u>                     | \$ <u>2,024</u> | \$ <u>5,492</u> | \$ <u>4,828</u> |

The net assets of our business-type activities decreased by 2 percent (\$1,983,898 compared to \$2,024,289 in 2008); this decrease was generated from depreciation and administration fees paid from the Bath House Enterprise to the general fund in the form of transfers.

**Table 2**  
**Village of Jemez Springs**  
**Changes in Net Assets**  
**(In Thousands)**

|   | <u>Governmental</u> |               | <u>Business-Type</u> |                | <u>Total</u>  |               |
|---|---------------------|---------------|----------------------|----------------|---------------|---------------|
|   | <u>2009</u>         | <u>2008</u>   | <u>2009</u>          | <u>2008</u>    | <u>2009</u>   | <u>2008</u>   |
| <b>Revenues</b>   |                     |               |                      |                |               |               |
| <b>Program revenues</b>                                       |                     |               |                      |                |               |               |
| Charges for services  | \$ 32               | \$ 49         | \$ 459               | \$ 457         | \$ 491        | \$ 506        |
| State grants  | 888                 | 636           |                      |                | 888           | 636           |
| <b>General revenues</b>                                       |                     |               |                      |                |               |               |
| State taxes   | 178                 | 194           |                      |                | 178           | 194           |
| Other taxes   | 24                  | 21            |                      |                | 24            | 21            |
| Other   | <u>32</u>           | <u>35</u>     |                      |                | <u>32</u>     | <u>35</u>     |
| Total revenues  | <u>1,154</u>        | <u>935</u>    | <u>459</u>           | <u>457</u>     | <u>1,613</u>  | <u>1,392</u>  |
| <b>Expenses</b>   |                     |               |                      |                |               |               |
| General government  | 208                 | 194           |                      |                | 208           | 194           |
| Public safety   | 192                 | 159           |                      |                | 192           | 159           |
| Culture and recreation  | 110                 | 78            |                      |                | 110           | 78            |
| Highway and streets   | 70                  | 99            |                      |                | 70            | 99            |
| Interest on long-term debt                                    | 5                   | 2             | 1                    | 2              | 6             | 4             |
| Bath House  |                     |               | 301                  | 305            | 301           | 305           |
| Sewer   |                     |               | <u>132</u>           | <u>137</u>     | <u>132</u>    | <u>137</u>    |
| Total expenses  | <u>585</u>          | <u>532</u>    | <u>434</u>           | <u>444</u>     | <u>1,019</u>  | <u>976</u>    |
| <b>Excess (deficiency) before special items and transfers</b> |                     |               |                      |                |               |               |
|   | 569                 | 403           | 25                   | 13             | 594           | 416           |
| Transfers   | <u>135</u>          | <u>70</u>     | <u>(65)</u>          | <u>(68)</u>    | <u>70</u>     | <u>2</u>      |
| Increase (decrease) in net assets                             | \$ <u>704</u>       | \$ <u>473</u> | \$ <u>(40)</u>       | \$ <u>(55)</u> | \$ <u>664</u> | \$ <u>418</u> |

The Village's total revenues (excluding special items) increased by \$217,959. The total cost of all programs and services was increased by \$52,787, with one new program added this year. Our analysis below separately considers the operations of governmental and business-type activities.

Business-Type Activities

Revenues of the Village of Jemez Springs' business-type activities (see Table 2) increased by \$2,547 (\$459,323 in 2009 compared to \$456,776 in 2008) and expenses decreased by \$10,231. The factors driving these results include:

The Bath House was in operation for the entire year of 2009 and has been very profitable for the Village. The Bath House paid administrative fees to the Village of Jemez Springs General Fund in the amount of \$64,163 for FY 2009.

The Jemez Springs Sewer System saw its operation revenues increase by \$7,648, while operating expenses decreased \$5,639.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

The Village Fund

The Village of Jemez Springs had an decrease of \$1,106 in the Village's General Fund. The primary reasons for the General Fund's decrease mirror the governmental activities analysis highlighted on page 3. In addition, these other changes in fund balances should be noted.

Governmental Activities revenues for the Village decreased \$54,514, while total expenses increased \$45,999. The cost of all governmental activities this year was \$363,761 compared to \$317,762 last year.

The Village spent \$836,211 this year on capital projects, which was reimbursed by various grants and appropriations during the year.

Each year, the State provides the Village with a portion of the gasoline tax revenues it collects. This money can only be used to replace, maintain, or improve the Village's roads. This year, \$5,016 of these resources, were used primarily for paving the south end of Mooney Blvd and bridge repair.

General Fund Budgetary Highlights

The Village Board of Trustees revised the Village of Jemez Springs' budget twice during the year. There were no amendments to the enterprise funds this year.

Capital Asset and Debt Administration Capital Assets

At the end of 2009, the Village of Jemez Springs had \$4,863,889 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and sewer lines (see Table 3 below). This amount represents a net increase (including additions and deductions) of \$867,861 over last year.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

Table 3  
Village of Jemez Springs  
Change in Capital Assets

|                                | Balance<br><u>June 30, 2008</u> | Net<br>Additions/<br><u>Deletions</u> | Balance<br><u>June 30, 2009</u> |
|--------------------------------|---------------------------------|---------------------------------------|---------------------------------|
| Non-Depreciable Assets:        |                                 |                                       |                                 |
| Land and land improvements     | \$ <u>397,059</u>               | \$ <u>31,650</u>                      | \$ <u>428,709</u>               |
| Other Capital Assets:          |                                 |                                       |                                 |
| Infrastructure                 | 1,653,447                       | 757,144                               | 2,410,591                       |
| Buildings                      | 2,040,941                       |                                       | 2,040,941                       |
| Furniture and other equipment  | 1,092,305                       | 79,067                                | 1,171,372                       |
| Improvements                   | 234,713                         |                                       | 234,713                         |
| Less: Accumulated depreciation | <u>(823,903)</u>                | <u>(169,825)</u>                      | <u>(993,728)</u>                |
| Total other capital asset      | \$ <u>4,197,503</u>             | \$ <u>666,386</u>                     | \$ <u>4,863,889</u>             |

Capital Asset and Debt Administration Capital Assets

This year's major additions included:

The Village of Jemez Springs complete Phase I of the Walkway Project this year, completed the construction of an outdoor stage on the civic center property; as well as, purchased a new police vehicle for the JS Police Department

Debt

The Village was able to pay off the Economic Development loan by June 30, 2009. At year end, the Village had \$147,557 in bonds and notes outstanding versus \$152,827 last year - a decrease of 3.4 percent - as shown in Table 4.

Table 4  
Village of Jemez Springs  
Outstanding Debt  
at June 30, 2009

|                      | Governmental<br><u>Activities</u> | Net<br>Business-type<br><u>Activities</u> | Total Primary<br><u>Government</u> |
|----------------------|-----------------------------------|---|------------------------------------|
| Revenue bonds        | \$                                | \$ 25,000                                 | \$ 25,000                          |
| NM Finance Authority | 106,139                           |   | 106,139                            |
| Other long-term debt | <u>8,755</u>                      | <u>7,663</u>                              | <u>16,418</u>                      |
| Totals               | \$ <u>114,894</u>                 | \$ <u>32,663</u>                          | \$ <u>147,557</u>                  |

Other obligations include accrued vacation pay and sick leave. More detailed information about the Village's long-term liabilities is presented in Notes 1, 5 and 6 to the financial statements.

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

The Village of Jemez Springs' elected and appointed officials considered several factors when setting the fiscal year 2009 budget and fees that will be charged for the business-type activities. The Village's sewer fees for individual and business were increased in FY 2005 and continue to be sufficient for the upcoming fiscal year.

These indicators were taken into account when adopting the General Fund budget for 2009. Amounts available for expenditures in the General Fund budget are \$386,023, an increase of \$12,540 over the final 2009 budget of \$373,483. This increase is due to the Village giving wage increases of cost-of-living adjustments in FY 2010 budget.

If these estimates are realized, the Village of Jemez Springs budgetary General Fund balance is expected to increase modestly by the close of 2010. More importantly, however, this will be accomplished without selling capital assets or restructuring long-term debt to alleviate cash flow pressures.

Village capital projects have a balance of approved appropriations and GRIF II monies of \$633,726 for Phase II of the walkway project and \$23,765 for economic development of the community center property; it is anticipated all appropriations will be expended by FYE.

The Village of Jemez Springs has requested that FY 2009 Highway Department Co-Op monies be used for the re-planking the south bridge and blading, shaping, graveling and drainage of the cul-de-sacs off of and along Mooney Blvd.

As for the Village of Jemez Springs business-type activities, we expect that the 2010 results will also continue to improve. The Bath House will have a decrease of \$10,000 in administration fees in order to build a reserve accounting for future capital improvements

#### Contacting the Village of Jemez Springs Financial Management

This financial report is designed to provide a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at the Village Municipal Office in the Village of Jemez Springs, P.O. Box 269, Jemez Springs, New Mexico.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF NET ASSETS - GOVERNMENT-WIDE  
June 30, 2009

|   | <u>Primary Government</u> |                     |                     |
|---|---------------------------|---------------------|---------------------|
|   | Government                | Business            |                     |
| <b>ASSETS</b>                                   | <u>Activities</u>         | Type                | <u>Total</u>        |
|   | <u>Activities</u>         | <u>Activities</u>   |                     |
| Current Assets:                                 |                           |                     |                     |
| Cash and cash equivalents                       | \$ 197,872                | \$ 25,276           | \$ 223,148          |
| Restricted assets:                              |                           |                     |                     |
| Cash and cash equivalents                       |                           | <u>32,250</u>       | <u>32,250</u>       |
| Total cash (Note 11)                            | <u>197,872</u>            | <u>57,526</u>       | <u>255,398</u>      |
| Receivables (net)                               | 208,103                   | 9,803               | 217,906             |
| Taxes receivable                                | 19,427                    |                     | 19,427              |
| Due to/from others (Note 16)                    | 1,208                     |                     | 1,208               |
| Prepaid expenses                                | 1,223                     | 436                 | 1,659               |
| Inventories                                     |                           | <u>16,837</u>       | <u>16,837</u>       |
| Total current assets                            | <u>427,833</u>            | <u>84,602</u>       | <u>512,435</u>      |
| Noncurrent Assets:                              |                           |                     |                     |
| Land  | 413,584                   | 15,125              | 428,709             |
| Capital assets, net of depreciation (Note 14)   | <u>2,926,029</u>          | <u>1,937,860</u>    | <u>4,863,889</u>    |
| Total noncurrent assets                         | <u>3,339,613</u>          | <u>1,952,985</u>    | <u>5,292,598</u>    |
| Total Assets                                    | \$ <u>3,767,446</u>       | \$ <u>2,037,587</u> | \$ <u>5,805,033</u> |
| <b>LIABILITIES</b>                              |                           |                     |                     |
| Current liabilities:                            |                           |                     |                     |
| Accounts payable                                | \$ 138,829                | \$ 5,673            | \$ 144,502          |
| Accrued liabilities                             | 5,418                     | 15,353              | 20,771              |
| Due within one year (Note 6)                    | <u>30,782</u>             | <u>13,663</u>       | <u>44,445</u>       |
| Total current liabilities                       | 175,029                   | 34,689              | 209,718             |
| Noncurrent liabilities:                         |                           |                     |                     |
| Due in more than one year (Note 6)              | <u>84,112</u>             | <u>19,000</u>       | <u>103,112</u>      |
| Total Liabilities                               | \$ <u>259,141</u>         | \$ <u>53,689</u>    | \$ <u>312,830</u>   |
| <b>NET ASSETS</b>                               |                           |                     |                     |
| Invested in capital assets, net of related debt | \$ 3,233,474              | \$ 1,927,985        | \$ 5,161,459        |
| Restricted for:                                 |                           |                     |                     |
| Capital projects                                | (1,997)                   |                     | (1,997)             |
| Debt service                                    |                           |                     |                     |
| Other   | 105,121                   |                     | 105,121             |
| Unrestricted                                    | <u>171,707</u>            | <u>55,913</u>       | <u>227,620</u>      |
| Total Net Assets                                | \$ <u>3,508,305</u>       | \$ <u>1,983,898</u> | \$ <u>5,492,203</u> |

See Accompanying Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF ACTIVITIES - GOVERNMENT-WIDE  
June 30, 2009

| <u>Functions/Programs</u>        | <u>Expense</u>      | <u>Program Revenues</u> |                     | <u>Net</u>          |
|----------------------------------|---------------------|-------------------------|---------------------|---------------------|
|                                  |                     | <u>Charges</u>          | <u>Operating</u>    | <u>Capital</u>      |
|                                  |                     | <u>for Service</u>      | <u>Grants and</u>   | <u>Grants and</u>   |
|                                  |                     |                         | <u>Contribution</u> | <u>Contribution</u> |
|                                  |                     |                         |                     | <u>(Expense)</u>    |
|                                  |                     |                         |                     | <u>Revenue</u>      |
| Primary government:              |                     |                         |                     |                     |
| Governmental activities          |                     |                         |                     |                     |
| Judicial                         | \$ 16,527           | \$ 24,693               | \$                  | \$ 8,166            |
| General government               | 139,179             |                         | 63,415              | (75,764)            |
| Public safety                    | 141,772             | 7,280                   | 51,542              | (82,950)            |
| Culture and recreation           | 105,951             |                         | 6,904               | 742                 |
| Highways and streets             | 70,161              |                         | 50,000              | 596,109             |
| Depreciation                     | 106,717             |                         |                     | (106,717)           |
| Interest on debt                 | 4,758               |                         |                     | (4,758)             |
| Total governmental activities    | <u>585,065</u>      | <u>31,973</u>           | <u>171,861</u>      | <u>716,059</u>      |
| Business-type activities:        |                     |                         |                     |                     |
| Waste Water                      | 131,635             | 94,553                  |                     | (37,082)            |
| Bath House                       | 301,238             | 364,770                 |                     | 63,532              |
| Interest on debt                 | 1,500               |                         |                     | (1,500)             |
| Total business-type activities   | <u>434,373</u>      | <u>459,323</u>          |                     | <u>24,950</u>       |
| Total primary government:        | <u>\$ 1,019,438</u> | <u>\$ 491,296</u>       | <u>\$ 171,861</u>   | <u>\$ 716,059</u>   |
|                                  |                     |                         |                     | <u>\$ 359,778</u>   |
| <br>                             |                     |                         |                     |                     |
| <u>Changes in Net Assets</u>     |                     | <u>Government</u>       |                     | <u>Business-</u>    |
|                                  |                     | <u>Activities</u>       |                     | <u>Type</u>         |
| Net (expense) revenue            |                     | \$ 334,828              | \$ 24,950           | \$ 359,778          |
| <br>                             |                     |                         |                     |                     |
| General Revenues:                |                     |                         |                     |                     |
| Taxes levied for general         |                     | 178,260                 |                     | 178,260             |
| Taxes levied for special uses    |                     | 23,875                  |                     | 23,875              |
| Unrestricted investment earning  |                     | 2,631                   | 607                 | 3,238               |
| Miscellaneous                    |                     | 29,646                  |                     | 29,646              |
| Transfer - Internal activities   |                     | <u>135,090</u>          | <u>(65,948)</u>     | <u>69,142</u>       |
| Total general revenues/transfers |                     | <u>369,502</u>          | <u>(65,341)</u>     | <u>304,161</u>      |
| Change in net assets             |                     | 704,330                 | (40,391)            | 663,939             |
| Net assets, beginning of year    |                     | <u>2,803,975</u>        | <u>2,024,289</u>    | <u>4,828,264</u>    |
| Net assets, end of year          |                     | <u>\$ 3,508,305</u>     | <u>\$ 1,983,898</u> | <u>\$ 5,492,203</u> |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2009

| ASSETS                                     | General<br>Fund       | Fire<br>Fund<br>(Special) | Road<br>Fund<br>(Special) |
|--|-----------------------|---------------------------|---------------------------|
| Cash and cash equivalents                  | \$ 169,018            | \$ 10,805                 | \$ 15,512                 |
| Receivables (net)                          | 1,035                 |                           |                           |
| Taxes receivable                           | 16,111                |                           | 417                       |
| Prepaid expense                            | 1,223                 |                           |                           |
| Due from others (Note 16)                  | 1,208                 |                           |                           |
| Total Assets                               | \$ <u>188,595</u>     | \$ <u>10,805</u>          | \$ <u>15,929</u>          |
| <br>LIABILITIES AND FUND BALANCES          |                       |                           |                           |
| LIABILITIES                                |                       |                           |                           |
| Accounts payable                           | \$ 2,715              | \$ 23                     | \$                        |
| Accrued liabilities                        | 5,418                 |                           |                           |
| Long-term liabilities:                     |                       |                           |                           |
| Due within one year                        |                       |                           |                           |
| Due in more than one year                  |                       |                           |                           |
| Total Liabilities                          | <u>8,133</u>          | <u>23</u>                 | <u>-</u>                  |
| <br>FUND BALANCES                          |                       |                           |                           |
| Unreserved, reported in:                   |                       |                           |                           |
| General Fund                               | 180,462               |                           |                           |
| Special Revenue Fund                       |                       | 10,782                    | 15,929                    |
| Capital Project Fund                       |                       |                           |                           |
| Debt Service Fund                          |                       |                           |                           |
| Total Fund Balances                        | <u>180,462</u>        | <u>10,782</u>             | <u>15,929</u>             |
| <br>Total Liabilities and<br>Fund Balances | <br>\$ <u>188,595</u> | <br>\$ <u>10,805</u>      | <br>\$ <u>15,929</u>      |

| Capital<br>Project<br>Fund | Nonmajor<br>Government<br>Funds | Totals            |
|----------------------------|---------------------------------|-------------------|
| \$ (73,445)                | \$ 75,982                       | \$ 197,872        |
| 207,068                    |                                 | 208,103           |
|                            | 2,899                           | 19,427            |
|                            |                                 | 1,223             |
|                            |                                 | <u>1,208</u>      |
| \$ <u>133,623</u>          | \$ <u>78,881</u>                | \$ <u>427,833</u> |
| <br>                       |                                 |                   |
| \$ 135,620                 | \$ 471                          | \$ 138,829        |
|                            |                                 | 5,418             |
| <br>                       |                                 |                   |
| <u>135,620</u>             | <u>471</u>                      | <u>144,247</u>    |
| <br>                       |                                 |                   |
|                            | 78,410                          | 180,462           |
| (1,997)                    |                                 | 105,121           |
|                            |                                 | (1,997)           |
| <u>(1,997)</u>             | <u>78,410</u>                   | <u>283,586</u>    |
| <br>                       |                                 |                   |
| \$ <u>133,623</u>          | \$ <u>78,881</u>                | \$ <u>427,833</u> |

See Accompanying Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
Year Ended JUNE 30, 2009

| REVENUES                                 | General<br>Fund   | Fire<br>Fund<br>(Special) | Road<br>Fund<br>(Special) |
|--|-------------------|---------------------------|---------------------------|
| Taxes                                    | \$ 178,260        | \$                        | \$ 5,016                  |
| Grants                                   | 63,415            | 30,042                    | 50,000                    |
| Fines and fees                           | 24,693            |                           |                           |
| Charges for services                     |                   |                           |                           |
| Miscellaneous                            | <u>14,342</u>     | <u>202</u>                | <u>58</u>                 |
| Total Revenues                           | <u>280,710</u>    | <u>30,244</u>             | <u>55,074</u>             |
| <br>                                     |                   |                           |                           |
| EXPENDITURES                             |                   |                           |                           |
| Current:                                 |                   |                           |                           |
| General government                       | 155,495           |                           |                           |
| Public safety                            | 78,690            | 48,097                    |                           |
| Culture and recreation                   | 58,299            |                           |                           |
| Highways and streets                     | 69,718            |                           |                           |
| Capital outlay                           | 1,559             |                           | 71,694                    |
| Debt service:                            |                   |                           |                           |
| Principal payment                        |                   | 10,005                    |                           |
| Interest                                 |                   | <u>3,548</u>              |                           |
| Total Expenditures                       | <u>363,761</u>    | <u>61,650</u>             | <u>71,694</u>             |
| <br>                                     |                   |                           |                           |
| Excess of Revenue<br>Over (Expenditures) | (83,051)          | (31,406)                  | (16,620)                  |
| <br>                                     |                   |                           |                           |
| OTHER FINANCING SOURCES (USES)           |                   |                           |                           |
| Transfers in                             | 118,821           |                           |                           |
| Transfers out                            | <u>(36,876)</u>   |                           |                           |
| Total Other Financing<br>(Uses) Sources  | <u>81,945</u>     |                           |                           |
| <br>                                     |                   |                           |                           |
| Net Change in Fund Balances              | (1,106)           | (31,406)                  | (16,620)                  |
| <br>                                     |                   |                           |                           |
| FUND BALANCES, Beginning of Year         | <u>181,568</u>    | <u>42,188</u>             | <u>32,549</u>             |
| FUND BALANCES, End of Year               | \$ <u>180,462</u> | \$ <u>10,782</u>          | \$ <u>15,929</u>          |

| Capital<br>Project<br><u>Fund</u> | Nonmajor<br>Government<br><u>Funds</u> | <u>Totals</u>     |
|-----------------------------------|--|-------------------|
| \$ 716,059                        | \$ 18,859                              | \$ 202,135        |
|                                   | 28,404                                 | 887,920           |
|                                   |  | 24,693            |
|                                   | 7,280                                  | 7,280             |
|                                   | <u>17,675</u>                          | <u>32,277</u>     |
| <u>716,059</u>                    | <u>72,218</u>                          | <u>1,154,305</u>  |
|                                   |  | 155,495           |
|                                   | 13,749                                 | 140,536           |
|                                   | 46,539                                 | 104,838           |
|                                   | -                                      | 69,718            |
| 741,543                           | 53,065                                 | 867,861           |
|                                   | 51,062                                 | 61,067            |
|                                   | <u>1,210</u>                           | <u>4,758</u>      |
| <u>741,543</u>                    | <u>165,625</u>                         | <u>1,404,273</u>  |
| (25,484)                          | (93,407)                               | (249,968)         |
| 338                               | 109,516                                | 228,675           |
|                                   | <u>(565)</u>                           | <u>(37,441)</u>   |
| <u>338</u>                        | <u>108,951</u>                         | <u>191,234</u>    |
| (25,146)                          | 15,544                                 | (58,734)          |
| <u>23,149</u>                     | <u>62,866</u>                          | <u>342,320</u>    |
| \$ <u>(1,997)</u>                 | \$ <u>78,410</u>                       | \$ <u>283,586</u> |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

|   |                   |
|---|-------------------|
| Net Changes in Fund Balance -<br>Total Governmental Funds   | \$ (58,734)       |
| Amounts reported for governmental activities<br>In the Statement of Activities differs<br>from the amounts reported in the<br>Statement of Revenues, Expenditures and<br>Changes in Fund Balance because:   |                   |
| Governmental funds report capital outlays<br>as expenditures. However, in the Statement<br>of Activities, the cost of those assets is<br>allocated over their estimated useful lives<br>as depreciation expense or are allocated to<br>the appropriate functional expense when the<br>cost is below the capitalized threshold.<br>This activity is reconciled as follows: |                   |
| Cost of assets capitalized(total)   | 867,861           |
| Depreciation expense  | (106,717)         |
| Repayment of debt principal is an expenditure<br>in the governmental funds, but repayment of<br>debt decreases long-term liabilities in the<br>statement of net assets  | 61,067            |
| Proceeds of long-term debt recorded as an other<br>financing source for governmental funds but it<br>is not recorded in the statement of activities.<br>Proceeds of long term debt are liabilities.   | (56,144)          |
| Net (increase) in compensated absences  | <u>(3,003)</u>    |
| Change in net assets of governmental<br>activities  | \$ <u>704,330</u> |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
For the Year Ended June 30, 2009

|  | Original         | Final            | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|------------------|------------------|--|
| <b>REVENUES</b>  | <u>Budget</u>    | <u>Budget</u>    | <u>Actual</u>    | <u>(Unfavorable)</u>                   |
| Grants   | \$ 70,000        | \$ 70,000        | \$ 63,415        | \$ (6,585)                             |
| Fines and fees   | 31,450           | 31,450           | 24,001           | (7,449)                                |
| Charges for services   | 73,000           | 73,000           | 0                | (73,000)                               |
| Taxes  | 167,800          | 194,888          | 193,075          | (1,813)                                |
| Miscellaneous  | <u>44,300</u>    | <u>68,614</u>    | <u>14,342</u>    | <u>(54,272)</u>                        |
| <b>Total Revenues</b>  | <u>386,550</u>   | <u>437,952</u>   | <u>294,833</u>   | <u>(143,119)</u>                       |
| <b>EXPENDITURES</b>  |                  |                  |                  |  |
| General government   | 148,438          | 156,886          | 153,597          | 3,289                                  |
| Public safety  | 85,521           | 85,521           | 78,690           | 6,831                                  |
| Public works   | 63,175           | 65,544           | 65,544           | -                                      |
| Culture and recreation   | 42,496           | 48,334           | 46,834           | 1,500                                  |
| Highways and streets   | 4,000            | 4,174            | 4,174            | -                                      |
| Other  | <u>-</u>         | <u>13,024</u>    | <u>13,024</u>    | <u>-</u>                               |
| <b>Total Expenditures</b>  | <u>343,630</u>   | <u>373,483</u>   | <u>361,863</u>   | <u>11,620</u>                          |
| Excess of revenue over<br>(under) expenditures   | 42,920           | 64,469           | (67,030)         | (131,499)                              |
| Other financing sources<br>(uses)  |                  |                  |                  |  |
| Transfers - in   |                  |                  | 118,821          | 118,821                                |
| Transfers - out  |                  |                  | <u>(36,876)</u>  | <u>(36,876)</u>                        |
| <b>Total other financing<br/>sources (uses)</b>  |                  |                  | <u>81,945</u>    | <u>81,945</u>                          |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>42,920</u> | \$ <u>64,469</u> | \$ <u>14,915</u> | \$ <u>(49,554)</u>                     |

Reconciliation to GAAP - Note 15

See Accompanying Notes to Financial Statements



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FIRE FUND

For the Year Ended June 30, 2009

| REVENUES   | Original<br><u>Budget</u> | Final<br><u>Budget</u> | <u>Actual</u>      | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------------|------------------------|--------------------|--|
| Grants   | \$ 42,632                 | \$ 43,042              | \$ 43,042          | \$                                     |
| Fines  |                           |                        |                    |  |
| Charges for services   |                           |                        |                    |  |
| Taxes  |                           |                        |                    |  |
| Miscellaneous  | _____                     | _____                  | 202                | 202                                    |
| Total Revenues   | <u>42,632</u>             | <u>43,042</u>          | <u>43,244</u>      | 202                                    |
| <br>   |                           |                        |                    |  |
| <b>EXPENDITURES</b>  |                           |                        |                    |  |
| General government   |                           |                        |                    |  |
| Public safety  | 60,411                    | 60,411                 | 48,134             | 12,277                                 |
| Culture and recreation   |                           |                        |                    |  |
| Highways and streets   |                           |                        |                    |  |
| Capital outlay   |                           |                        |                    |  |
| Debt service   | _____                     | _____                  | 13,553             | (13,553)                               |
| Total expenditures   | <u>60,411</u>             | <u>60,411</u>          | <u>61,687</u>      | (1,276)                                |
| Transfers out  | _____                     | _____                  | _____              | -                                      |
| Excess of Revenue over<br>(under) Expenditures                               | \$ <u>(17,779)</u>        | \$ <u>(17,369)</u>     | \$ <u>(18,443)</u> | \$ <u>(1,074)</u>                      |
| <br>   |                           |                        |                    |  |
| Budget-Cash appropriated<br>from prior year for current<br>year expenditures | \$ <u>29,248</u>          | \$ <u>29,248</u>       |                    |  |
| <br>   |                           |                        |                    |  |
| Reconciliation to GAAP Basis:  |                           |                        |                    |  |
| (Increase) Decrease In:  |                           |                        |                    |  |
| Accounts receivable  |                           |                        | (13,000)           |  |
| Accounts payable   |                           |                        | 37                 |  |
| Net change in fund balance   |                           |                        | \$ <u>(31,406)</u> |  |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
ROAD FUND

For the Year Ended June 30, 2009

|  | Original               | Final                  | Actual                 | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------------|------------------------|------------------------|--|
| REVENUES   | <u>Budget</u>          | <u>Budget</u>          | <u>Actual</u>          | <u>(Unfavorable)</u>                   |
| Taxes  | \$ 5,004               | \$ 5,004               | \$ 5,016               | \$ 1                                   |
| Grants   | 50,000                 | 50,000                 | 50,000                 |  |
| Donations  |                        |                        |                        |  |
| Other receipts   | _____                  | _____                  | _____58                | _____58                                |
| <br>Total Revenues   | <br><u>55,004</u>      | <br><u>55,004</u>      | <br><u>55,074</u>      | <br><u>70</u>                          |
| <br><b>EXPENDITURES</b>  |                        |                        |                        |  |
| General government   |                        |                        |                        |  |
| Public safety  |                        |                        |                        |  |
| Culture and recreation   |                        |                        |                        |  |
| Highway and streets  | 98,034                 | 98,034                 | 71,694                 | 26,340                                 |
| Capital outlay   | _____                  | _____                  | _____                  | _____                                  |
| <br>Total expenditures   | <br><u>98,034</u>      | <br><u>98,034</u>      | <br><u>71,694</u>      | <br><u>26,340</u>                      |
| <br>Excess of Revenue over<br>(under) Expenditures   | <br>(43,030)           | <br>(43,030)           | <br>(16,620)           | <br>26,410                             |
| <br>Other financing sources<br>(uses)  |                        |                        |                        |  |
| Transfers - in   |                        |                        |                        |  |
| Transfers - out  | _____                  | _____                  | _____                  | _____                                  |
| <br>Total other financing<br>sources (uses)  | <br>_____              | <br>_____              | <br>_____              | <br>_____                              |
| <br>Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | <br>\$ <u>(43,030)</u> | <br>\$ <u>(43,030)</u> | <br>\$ <u>(16,620)</u> | <br>\$ <u>26,410</u>                   |
| <br>Budget - Cash appropriated<br>from prior year for current<br>year expenditures         | <br>\$ <u>32,132</u>   | <br>\$ <u>32,132</u>   |                        |  |
| <br>Reconciliation to GAAP Basis:<br>No adjustment required                                |                        |                        | <br>\$ <u>(16,620)</u> |  |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2009

| ASSETS   | Business-Type Activities<br><u>Enterprise Funds</u> |                       |                         |
|--|---|-----------------------|-------------------------|
|  | <u>Waste<br/>Water</u>                              | <u>Bath<br/>House</u> | <u>Total</u>            |
| Current Assets:                                    |   |                       |                         |
| Cash and cash equivalents                          | \$ 14,950   | \$ 10,326             | \$ 25,276               |
| Restricted assets:                                 |   |                       |                         |
| Cash (Note 5)                                      | <u>32,250</u>                                       |                       | <u>32,250</u>           |
| Total cash and equivalents                         | 47,200  | 10,326                | 57,526                  |
| Receivables (net) Note 4                           | 6,717   | 3,086                 | 9,803                   |
| Prepaid expense                                    | 393   | 43                    | 436                     |
| Inventories  |   | <u>16,837</u>         | <u>16,837</u>           |
| Total current assets                               | <u>54,310</u>                                       | <u>30,292</u>         | <u>84,602</u>           |
| Noncurrent Assets:                                 |   |                       |                         |
| Land   | 15,125  |                       | 15,125                  |
| Capital assets, net of<br>depreciation (Note 14)   | <u>1,918,168</u>                                    | <u>19,692</u>         | <u>1,937,860</u>        |
| Total noncurrent assets                            | <u>1,933,293</u>                                    | <u>19,692</u>         | <u>1,952,985</u>        |
| <br>Total Assets                                   | <br>\$ <u>1,987,603</u>                             | <br>\$ <u>49,984</u>  | <br>\$ <u>2,037,587</u> |
| <br><b>LIABILITIES AND NET ASSETS</b>              |   |                       |                         |
| Current Liabilities:                               |   |                       |                         |
| Accounts payable                                   | \$ 210  | \$ 5,463              | \$ 5,673                |
| Accrued liabilities                                | 1,276   | 14,077                | 15,353                  |
| Due within one year (Note 6)                       | <u>9,814</u>  | <u>3,849</u>          | <u>13,663</u>           |
| Total current liabilities                          | 11,300  | 23,389                | 34,689                  |
| Noncurrent liabilities:                            |   |                       |                         |
| Due in more than one year                          | <u>19,000</u>                                       |                       | <u>19,000</u>           |
| Total Liabilities                                  | <u>\$ 30,300</u>                                    | <u>\$ 23,389</u>      | <u>\$ 53,689</u>        |
| <br><b>NET ASSETS</b>                              |   |                       |                         |
| Invested in capital assets,<br>net of related debt | 1,908,293   | 19,692                | 1,927,985               |
| Unrestricted                                       | <u>49,010</u>                                       | <u>6,903</u>          | <u>55,913</u>           |
| Total Net Assets                                   | <u>\$ 1,957,303</u>                                 | <u>\$ 26,595</u>      | <u>\$ 1,983,898</u>     |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2009

|  | Business-Type Activities |                       |                     |
|--|--------------------------|-----------------------|---------------------|
|  | <u>Enterprise Funds</u>  |                       |                     |
|  | <u>Waste<br/>Water</u>   | <u>Bath<br/>House</u> | <u>Total</u>        |
| Operating revenue:                       |                          |                       |                     |
| Waste Water Service                      | \$ 94,553                | \$                    | \$ 94,553           |
| Charges for services                     |                          | 309,134               | 309,134             |
| Gift Shop sales                          |                          | 55,636                | 55,636              |
| Total operating revenue                  | <u>94,553</u>            | <u>364,770</u>        | <u>459,323</u>      |
| Operating expense:                       |                          |                       |                     |
| Salaries                                 | 32,983                   | 99,061                | 132,044             |
| Employee benefits                        | 8,378                    | 17,811                | 26,189              |
| Contract services                        |                          | 115,019               | 115,019             |
| Insurance                                | 2,810                    | 1,478                 | 4,288               |
| Professional fees                        | 11,110                   | 1,375                 | 12,485              |
| Supplies                                 | 2,619                    | 28,512                | 31,131              |
| Office expense                           | 1,949                    | 10,904                | 12,853              |
| Telephone                                | 1,197                    | 3,101                 | 4,298               |
| Utilities                                | 10,621                   | 6,860                 | 17,481              |
| Depreciation                             | 59,209                   | 3,899                 | 63,108              |
| Other operating                          | 759                      | 13,218                | 13,977              |
| Total operating expense                  | <u>131,635</u>           | <u>301,238</u>        | <u>432,873</u>      |
| Operating income (loss)                  | (37,082)                 | 63,532                | 26,450              |
| Nonoperating Revenue (Expense):          |                          |                       |                     |
| Interest income                          | 393                      | 214                   | 607                 |
| Interest expense                         | <u>(1,500)</u>           | <u>          </u>     | <u>(1,500)</u>      |
| Total Nonoperating Revenues<br>(Expense) | <u>(1,107)</u>           | <u>214</u>            | <u>(893)</u>        |
| Income before operating<br>transfers     | (38,189)                 | 63,746                | 25,557              |
| Transfers in                             |                          |                       |                     |
| Transfers out                            | <u>(285)</u>             | <u>(65,663)</u>       | <u>(65,948)</u>     |
| Change in Net Assets                     | (38,474)                 | (1,917)               | (40,391)            |
| Net Assets, Beginning<br>Of Year         | <u>1,995,777</u>         | <u>28,512</u>         | <u>2,024,289</u>    |
| Net Assets,<br>End of Year               | \$ <u>1,957,303</u>      | \$ <u>26,595</u>      | \$ <u>1,983,898</u> |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2009

|  | Business-Type Activities<br>Enterprise Funds |                       |                  |
|--|--|-----------------------|------------------|
|  | <u>Waste<br/>Water</u>                       | <u>Bath<br/>House</u> | <u>Total</u>     |
| Cash Flows from operating activities:                    |  |                       |                  |
| Receipts from customers and users                        | \$ 90,745                                    | \$ 362,911            | \$ 453,656       |
| Payments to supplies and employees                       | <u>(72,914)</u>                              | <u>(302,310)</u>      | <u>(375,224)</u> |
| Net cash provided (used) operating activities            | <u>17,831</u>                                | <u>60,601</u>         | <u>78,432</u>    |
| Cash flows from noncapital financing activities:         |  |                       |                  |
| Principal paid on revenue bonds                          | (5,000)                                      |                       | (5,000)          |
| Interest paid on revenue bonds                           | (1,500)                                      |                       | (1,500)          |
| Transfers in (out)                                       | <u>(285)</u>                                 | <u>(65,663)</u>       | <u>(65,948)</u>  |
| Net cash provided (used) noncapital financing activities | <u>(6,785)</u>                               | <u>(65,663)</u>       | <u>(72,448)</u>  |
| Cash flows from investing activities:                    |  |                       |                  |
| Interest on investments                                  | <u>393</u>                                   | <u>214</u>            | <u>607</u>       |
| Net (increase (decrease) in cash and cash equivalents    | 11,439                                       | (4,848)               | 6,591            |
| Cash and cash equivalents, beginning of year             | <u>35,761</u>                                | <u>15,174</u>         | <u>50,935</u>    |
| Cash and cash equivalents, end of year                   | \$ <u>47,200</u>                             | \$ <u>10,326</u>      | \$ <u>57,526</u> |

|   | Business-Type Activities<br><u>Enterprise Funds</u> |                       |                  |
|---|---|-----------------------|------------------|
|   | <u>Waste<br/>Water</u>                              | <u>Bath<br/>House</u> | <u>Total</u>     |
| Reconciliation of operating income to<br>net cash provided (used) by<br>operating activities: |   |                       |                  |
| Operating income (loss)   | \$ (37,082)   | \$ 63,532             | \$ 26,450        |
| Adjustments to reconcile net income<br>to net cash provided by operations:                    |   |                       |                  |
| Depreciation  | 59,209  | 3,899                 | 63,108           |
| (Increase) decrease in accounts<br>receivable   | (3,808)   | (1,859)               | (5,667)          |
| (Increase) decrease in inventory  |   | (8,592)               | (8,592)          |
| (Increase) decrease in prepaid<br>expense   | 45  | 3,852                 | 3,897            |
| Increase (decrease) in accounts<br>payable  | (672)   | 213                   | (459)            |
| Increase (decrease) due to other funds  |   |                       |                  |
| Increase (decrease) in accrued<br>liabilities   | <u>139</u>  | <u>(444)</u>          | <u>(305)</u>     |
| Net cash provided (used) by<br>operating activities   | \$ <u>17,831</u>                                    | \$ <u>60,601</u>      | \$ <u>78,432</u> |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-  
AGENCY FUNDS  
June 30, 2009

|                           | <u>Agency<br/>Funds</u> |
|---------------------------|-------------------------|
| <b>ASSETS</b>             |                         |
| Cash and cash equivalents | \$ <u>1,208</u>         |
| Total Assets              | \$ <u>1,208</u>         |
| <b>LIABILITIES</b>        |                         |
| Due to others (Note 16)   | <u>1,208</u>            |
| Total Liabilities         | \$ <u>1,208</u>         |

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies

The Village of Jemez Springs is incorporated as a village in the state of New Mexico and operated under a Mayor-Board of Trustees form of government. The Village provides the following services: public safety (fire and police), health and social services, culture-recreation, public improvements, planning and zoning, sewer services, and general administrative services.

New Accounting Standards Adopted

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time, the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Village's activities, including infrastructure (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village has elected to implement the general and infrastructure provisions (assets acquired prior to July 1, 2006) of the Statement in the previous year.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and Government Accounting Standards Board (GASB) Statement.

The basic, but not the only criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units identified or excluded from the reporting entity.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-wide

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire protection, parks, library and recreation, public works, and general administrative services are classified as governmental activities. The Village Bath House and sewer services are classified as business-type activities. Fiduciary funds nor component units that are fiduciary in nature are not included in the government-wide financial statements.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property, sales, and use taxes, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, community, and youth services, etc.) or a business-type activity. Operating grants

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-wide (continued)

include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

The government-wide focus is more on the sustain ability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

Fund Accounting

The accounts of the Village are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity revenues, expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into six generic fund types and three broad categories as follows:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental Funds:

General Fund - The general fund is used to account for the resources traditionally associated with governments, except those required to be accounted for in another fund. Revenue and expenditures of the federal revenue sharing programs are included for in this fund.

Special Revenue Fund - Special revenue funds are used to account for the proceeds of specific revenue sources (other special assessments, expendable trust funds or major capital projects) that are legally restricted to expenditure for specified purposes.

Major fund specific to the Village are:

Fire Fund - Fire Fund, which is used to account for the operation of the Village's Fire Department. Financing is provided by a state allotment from the state fire marshall Authority 59-53-1.

Road Fund - To account for funds used to maintain roads for which the Village has responsibility, financing sources include motor vehicle registration and New Mexico State Highway Department. Cooperative Agreement Expenditures are restricted for the construction and maintenance of the Village roads, Authority NMSA 67-4-1, 1978 compilation.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major facilities.

Debt Service Funds - Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Enterprise Fund

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds (Not Included in Government-Wide Statements)

Trust and Agency Fund - This fund is used to account for funds received on behalf of the Administrative Office for the Courts. Agency funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations.

Major and Nonmajor Funds

The fund are further classified as major and nonmajor as follows:

Major Fund:

|                      |   |
|----------------------|---|
| General Fund         | See above for description   |
| Capital Project Fund | To account for the financing, construction, and maintenance of capital outlay |

Special Revenue Funds:

|           |                           |
|-----------|---------------------------|
| Fire Fund | See above for description |
| Road Fund |                           |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Major and Nonmajor Funds (continued)

Nonmajor Funds:

The following are nonmajor funds - see page 49 for descriptions.

Correction Fund  
Parks and Recreation Fund  
Emergency Medical Service Fund  
Law Enforcement Protection Fund  
Library Grant Fund  
Lodgers Tax Fund  
Debt Service Fund  
Performing Arts Fund

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement date, regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The modified accrual basis of accounting is followed by the governmental fund types and agency funds for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or within 60 days after year-end. For state shared and locally assessed taxes, available is defined as those amounts collected within sixty days of the balance sheet date.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation long-term debt which is recognized when due.

Cash basis accounting is utilized in the governmental funds to assure effective budgetary control and accountability. This legally prescribed budgetary basis differs from generally accepted accounting principles in the respect that the former does not allow for year-end adjustments to be included in presentation in the statement of revenues, expenditures, and changes in fund balance. This accounting principle has resulted in the following differences between revenues and expenditures detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Revenue, Expenditures, Budget (Non-GAAP Basis) and Actual.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned and expenses are recognized when incurred. Billed sewer utility receivables are recorded at year-end.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Computer software is capitalized and depreciated as required. The Village has a collection of library books which have not been capitalized or depreciated as part of capital assets. Other costs

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                         |             |
|-------------------------|-------------|
| Buildings               | 20-50 years |
| Water and sewer system  | 30-50 years |
| Machinery and equipment | 5-10 years  |
| Improvements            | 10-20 years |
| Other infrastructure    | 10-50 years |

In June, 1999, the Governmental Accounting Standards Board(GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in the Village's basic financial statements. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. In accordance with Statement No. 34, the Village has included the value of all infrastructure (using the depreciation approach) into its basic financial statements.

Budget and Budgetary Accounting

Budgets are presented in the accompanying financial statement for the general fund, special funds and enterprise funds, which all have legally adopted budgets. The budgets are prepared on the cash basis of accounting. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, Board of Trustees of the Village adopts a proposed operating budget for the fiscal year commencing July 1<sup>st</sup>. The operating budgets include proposed expenditures and the means of financing them based on previous year's history. The budget is legally enacted through passage of an ordinance.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

2. The Village Clerk and Board of Trustees are authorized to transfer budget between departments within any fund, however, any revisions that alter the total expenditures of any fund must be approved by the New Mexico Department of Finance and Administration and the Local Government Division. Revisions to include changes in the original budget that was adopted and amended during the fiscal year in a legally permissible manner.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Fund, Capital Projects Fund, and Proprietary Fund.
4. Encumbrances are not reported in the budgets or financial statements.
5. The level of classification detail in which expenditure or expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

Encumbrances

Encumbrance accounting is not utilized by the Village.

Investments

Investments consisting of certificates of deposits and savings accounts have been recorded at cost.

Accounts Receivable

Accounts receivable consist of receivables from current and delinquent billings for sewer usage, maintained on computerized records, and credit card receivables for the Bath House. Estimated uncollectible accounts are not material and therefore the Village has not established an allowance for doubtful accounts.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Accumulated Unpaid Leave

Accumulated unpaid leave of \$8,755 is reported in Government-wide financial statements as an expense, current and long-term liabilities. Accrued sick leave is forfeited upon termination of the employee. Accrued annual vacation leave is paid upon the termination, separation or dismissal of the employee at the pay rate last held.

Revenues in Proprietary Funds

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for the proprietary funds are charges to customers for services. Principal operating expense are the cost of providing goods or services and include administration expense and depreciation of capital assets. Other revenue and expense are classified as non-operating in the financial statements.

Restricted Resources

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

Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions or expenditures in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers. Non-recurring or non-routine

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

permanent transfers or equity are reported as residual equity transfers.

Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or leally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Use of Estimates

The preparation of basic 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.

FASB Pronouncements

The Village has elected to apply all FASB pronouncements issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Note 2: Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within a year of the date acquired by the Village. Investments are stated at cost and consist of certificates of deposits readily convertible to cash. The Village's practice is to limit deposits and investments to insured and collateralized demand account and certificate of deposit. Protection of the Village's cash and investments is provided by the various federal deposit insurance corporations as well as qualified pledged securities by the institution holding the assets. The bank surety is further explained in Note 9.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 2: Cash, Cash Equivalents and Investments (continued)

All of the Village's investments are categorized to give an indication of the level of credit risk in relation to the nature of the investment and custodial provisions. Category 1 includes investments that are insured and are held in the Village's name. All of the investments are of Category 1 type.

Note 3: Property Tax

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1<sup>st</sup> of each year to be paid in whole in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> of each year. Sandoval County bills and collects the property taxes and remits to the Village its proportional share. Unpaid taxes become delinquent after 30 days. Property tax revenue is recognized in the fiscal year it becomes available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

Note 4: Inventory

Inventory is stated at cost, determined on FIFO method. Inventory is maintained at the Bath House gift shop and is physically counted every month.

Note 5: Revenue Bonds Payable - Sewer System

Series 1974

The sewer system revenue bonds series 1974 was issued in the amount of \$125,000 to the Farmers Home Administration. The bond is due in annual installments of varying amounts through January 2014. Interest is 5% per year. The required reserves are as follows:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 5: Revenue Bonds Payable - Sewer System(continued)

Series 1974 (continued)

Bond Deficiency - Beginning October 1, 1974, an amount not less than \$125 per month until the fund equals \$12,500.

Repair and Replacement - Beginning October 1, 1974, an amount not less than \$125 per month until the fund equals \$12,500.

Bond Interest and Principal - Monthly amounts equal 1/12 of the next annual installment of interest and principal.

Maturities are as follows:

| <u>June 30</u> | <u>Interest</u> | <u>Principal</u> |
|----------------|-----------------|------------------|
| 2010           | \$ 1,250        | \$ 6,000         |
| 2011           | 950             | 6,000            |
| 2012           | 650             | 6,000            |
| 2013-2014      | <u>350</u>      | <u>7,000</u>     |
|                | \$ <u>3,200</u> | \$ <u>25,000</u> |

Required bond reserves are as follows:

|                             |                  |
|-----------------------------|------------------|
| Bond deficiency             | \$ 12,500        |
| Repair and replacement      | 12,500           |
| Bond interest and principal | <u>7,250</u>     |
| Total                       | \$ <u>32,250</u> |

Capitalization of Interest

In conformity with Financial Accounting Standards No. 34, "Capitalization of Interest Cost", the Village capitalizes interest cost for business-type activities only, net of related interest earned, from the date of

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 5: Revenue Bonds Payable - Sewer System(continued)

Series 1974 (continued)

borrowing until the projects acquired with those funds are ready for their intended use. During 2009, there was no construction period interest.

Note 6: Notes Payable

In May 1999, the Village signed a long-term note payable with the Economic Development Department of the State of New Mexico to obtain funds for the development of economic infrastructure. The 2.70% note payable for \$230,000 payment terms require semi-annual interest payments through June 2000, followed by semi-annual principal and interest payments of \$13,199 through June 2010. Loan proceeds in the amount of \$168,452 were used to acquire approximately 4.34 acres of land. The loan was paid in full on June 5, 2009.

On October 19, 2007, the Village obtained a loan from NM Finance Authority to finance the balance of the new fire tanker. The note payable of \$60,000 has a variable interest rate; payment terms require annual principal payments and semi-annual interest payments through May 1, 2013.

On November 14, 2008, the Village obtained a loan from the NM Finance Authority to finance a new police car. The note payable of \$56,144 has a variable interest rate, payment terms require annual principle payments, and semiannual interest payments through May 1, 2014.

Maturities are as follows:

| <u>June 30</u> | <u>Interest</u>  | <u>Principal</u>  |
|----------------|------------------|-------------------|
| 2010           | \$ 3,899         | \$ 22,027         |
| 2011           | 2,651            | 23,307            |
| 2012           | 1,959            | 24,030            |
| 2013           | 1,193            | 24,829            |
| 2014           | <u>370</u>       | <u>11,946</u>     |
|                | \$ <u>10,072</u> | \$ <u>106,139</u> |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 6: Notes Payable (continued)

Changes in Long-Term Debt:

|                                  | Balance<br><u>7/01/08</u> | Addition         | Deduction        | Balance<br><u>6/30/09</u> | Amount Due<br>Within<br><u>One Year</u> |
|----------------------------------|---------------------------|------------------|------------------|---------------------------|---|
| <b>Governmental Activities:</b>  |                           |                  |                  |                           |   |
| Accrued compensation             | \$ 5,751                  | \$ 8,755         | \$ 5,751         | \$ 8,755                  | \$ 8,755                                |
| Notes payable                    | 51,063                    |                  | 51,063           | -                         | -                                       |
| Truck loan-NMFA                  | 60,000                    |                  | 10,005           | 49,995                    | 11,799                                  |
| Vehicle loans-NMFA               | -                         | 56,144           |                  | 56,144                    | 10,228                                  |
| Total Governmental               | \$ <u>116,814</u>         | \$ <u>64,899</u> | \$ <u>66,819</u> | \$ <u>114,894</u>         | \$ <u>30,782</u>                        |
| <b>Business Type Activities:</b> |                           |                  |                  |                           |   |
| Revenue Bonds                    | \$ 30,000                 |                  | \$ 5,000         | \$ 25,000                 | \$ 6,000                                |
| Accrued compensation             | 6,013                     | 7,663            | 6,013            | 7,663                     | 7,663                                   |
| Total Enterprise                 | \$ <u>36,013</u>          | \$ <u>7,663</u>  | \$ <u>11,013</u> | \$ <u>32,663</u>          | \$ <u>13,663</u>                        |

Governmental accrued compensated absences and the notes payable will be paid by the general fund. The vehicle loans will be paid by the LEPF and Fire special funds. The business type notes payable and accrued compensated absences will be paid by the waste water and bath house departments.

Note 7: PERA Pension Plan

Plan Description: Substantially all of the Village of Jemez Springs' full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Ch. 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the Administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing PERA, P.O. Box 2123, Santa Fe, NM 87504.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 7: PERA Pension Plan (continued)

Funding Policy: Plan members are required to contribute 7.00% of their gross salary. The Village is required to contribute 7.00% for regular employees and 10.00% for police personnel. The contribution requirements of plan members and the Village of Jemez Springs are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of legislature. The Village's contributions to PERA for the years ending June 30, 2009, 2008, and 2007, were \$21,009, \$17,664, and \$16,059 respectively.

Note 8: Post-Employment Benefits

The Retiree Health Care Act (ACT) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator for the plan. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses as well as dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or the out-of-pocket payments of eligible retirees.

Money flows to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Act, Judicial Retirement Act or the Magistrate Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 8: Post-Employment Benefits (continued)

Retiree Health Care Act on the person's behalf (unless the person retires before July 1, 1995). In this case, the time period for contributions becomes the time between July 1, 1990, and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990 and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3% of each participating employee's salary. Each participating employee contributes to the fund an employee contribution equal to .65% of the employee's annual salary. Each participating retiree pays a monthly premium of fifty-seven dollars and sixty-five cents for the basic single plan and an additional five dollars if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in opinion plans of coverage.

Contributions from participating employers and employees become the property of the Retiree Health Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post-employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree) and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., NE Suite 104, Albuquerque, NM 87107.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 8: Post-Employment Benefits (continued)

For the fiscal year ended June 30, 2009, the Village of Jemez Springs remitted \$3,581 in employer contributions and \$1,790 in employee contributions to the Retiree Health Care Authority. During 2009, the Village of Jemez Springs paid 100% of employee health benefits in the amount of \$18,682.

Note 9: Bank Surety

In accordance with Section 6-10-17, NMSA, 1978, compilation deposits of public money are to be collateralized in an aggregate equal to 50% of deposits in excess of Federal Deposit Insurance Corporation insurance coverage of \$250,000. The Village had depository accounts in four separate financial institutions.

| <u>Financial Institution/<br/>Account Name</u> | <u>Type</u>   | <u>Bank<br/>Amount</u> | <u>Book<br/>Amount</u> |
|--|---------------|------------------------|------------------------|
| Bank of America                                |               |                        |                        |
| Savings - Correction                           | Savings       | \$ 12,675              | \$ 12,675              |
| No collateralization necessary                 |               |                        |                        |
| First Community Bank                           |               |                        |                        |
| General  | Checking      | 158,249                | 159,208                |
| No collateralization                           |               |                        |                        |
| Jemez Valley Credit Union                      |               |                        |                        |
| Sewer - savings                                | Share Account | 27,146                 | 27,146                 |
| Sewer - checking                               | Share Account | 7,569                  | 6,860                  |
| Fire/Rescue                                    | Share Account | 306                    | 306                    |
| Road   | Share Account | 5,855                  | 5,855                  |
| Fire/Rescue                                    | Share Account | 10,611                 | 10,611                 |
| Eco. Dev. - GF                                 | Share Account | 7,993                  | 7,993                  |
| WW 72 Bond                                     | Share Account | 13,041                 | 13,044                 |
| Bath House - checking                          | Share Account | 15,106                 | 637                    |
| Bath House - savings                           | Share Account | 9,289                  | 9,289                  |
| Library  | Share Account | 54                     | 54                     |
|  |               | <u>96,973</u>          | <u>81,695</u>          |
| No collateralization necessary                 |               |                        |                        |
| New Mexico Finance Authority                   |               |                        |                        |
| Escrow Account - fire truck                    | Escrow        | \$ 126                 | \$ 126                 |
| Escrow Account - police                        | Escrow        | 2,252                  | 2,252                  |
|  |               | <u>2,378</u>           | <u>2,378</u>           |
| No collateralization necessary                 |               |                        |                        |
| Cash on hand/petty cash                        |               |                        | 650                    |
| Total cash and cash equivalents                |               |                        | <u>\$ 256,606</u>      |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 10: Insurance Coverage

The Village of Jemez Springs is insured through the New Mexico Self Insurers' Fund Coverage provided includes all-peril on buildings and contents, crime coverage, general liability, civil rights, and personal injury, motor vehicle and fleet property damage and liability, and statutory workmen's compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to \$500,000 each occurrence. The claims have not exceeded the coverage on each of the past three years.

Note 11: Cash and Temporary Investments

Bank balances of cash and temporary investments at June 30, 2009, consisted of the following:

| <u>Name of Bank/<br/>Account Name</u> | <u>Account No.</u> | <u>Type of Account</u> | <u>Balance</u>   |
|---------------------------------------|--------------------|------------------------|------------------|
| Bank of America                       |                    |                        |                  |
| Savings - Correction                  | 20571-50924        | Savings                | \$ <u>12,675</u> |
| Total Bank of America                 |                    |                        | <u>12,675</u>    |
| Jemez Valley FCU                      |                    |                        |                  |
| Sewer                                 | 36820              | Share Account          | 34,715           |
| Bath House                            | 50331              | Share Account          | 24,396           |
| Fire/Rescue                           | 42710              | Share Account          | 306              |
| Road                                  | 40720              | Share Account          | 5,855            |
| Fire/Rescue                           | 2080               | Share Account          | 10,611           |
| Eco. Dev. - GF                        | 49030              | Share Account          | 7,993            |
| WW 72 Bond                            | 50476              | Share Account          | 13,043           |
| Library                               | 50873              | Share Account          | 54               |
| Total Jemez Valley FCU                |                    |                        | <u>96,973</u>    |
| NM Finance Authority                  |                    |                        |                  |
| Escrow Account                        | JEMEZSPRINGS4      |                        | 126              |
| Escrow Account                        | JEMEZSPRINGS5      |                        | <u>2,252</u>     |
|                                       |                    |                        | <u>2,378</u>     |
| First Community Bank                  |                    |                        |                  |
| General Fund                          | 2912589            |                        | <u>158,249</u>   |

(Continued)

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 11: Cash and Temporary Investments (continued)

| <u>Name of Bank/<br/>Account Name</u> | <u>Balance</u>    |
|---------------------------------------|-------------------|
| Total all Banks                       | \$ 270,275        |
| Cash on hand                          | <u>650</u>        |
| Total cash                            | 270,925           |
| Less: Outstanding checks              | (69,706)          |
| Less: Agency Funds                    | (1,208)           |
| Plus: Deposits in transit             | <u>54,387</u>     |
| Reconciled cash balance               | \$ <u>255,398</u> |

Custodial Credit Risk - Deposits

The Village had the following depository accounts. All deposits are carried at cost plus accrued interest. The Village does not have a deposit policy.

| <u>Depository Account</u>      | <u>Bank<br/>Balance</u> |
|--------------------------------|-------------------------|
| Insured                        | \$ 270,275              |
| Uninsured and uncollateralized | <u>-</u>                |
| Total deposits                 | \$ <u>270,275</u>       |

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$0 of the Village's bank balance of \$270,275 was exposed to custodial credit risk as follows:

|                                |             |
|--------------------------------|-------------|
| Uninsured and uncollateralized | \$ <u>0</u> |
|--------------------------------|-------------|

Village's bank balance was collateralized in compliance with state of New Mexico requirements as follows:

|  |          |                  |
|--|----------|------------------|
| First Community Bank                                       | Checking | \$ 158,249       |
| FDIC Insurance   |          | <u>(250,000)</u> |
| 50% collateral requirement<br>(Section 6-10-1.7 NMSA 1978) |          | (91,751)         |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 11: Cash and Temporary Investments (continued)

Securities

(Held in the name of Village of Jemez Springs)

| <u>Held By</u> | <u>CUSIP</u> | <u>Par Value</u> | <u>Market Value</u> | <u>Maturity Date</u> | <u>Rate</u> |
|----------------|--------------|------------------|---------------------|----------------------|-------------|
| Carlsbad Muni  | 142735C43    | \$ 100,000       | \$ 100,000          | 08/01/16             | 4.00%       |

Note 12: Segment Information for Enterprise Funds

The Village maintains two enterprise funds which provide sewer and bathhouse services. Segment information for the year ended June 30, 2009, was as follows:

|   | <u>Waste Water Fund</u> | <u>Bath House Fund</u> | <u>Total</u>      |
|---|-------------------------|------------------------|-------------------|
| Operating revenues                                | \$ <u>94,553</u>        | \$ <u>364,770</u>      | \$ <u>459,323</u> |
| Depreciation, depletion, and amortization expense | <u>59,209</u>           | <u>3,899</u>           | <u>63,108</u>     |
| Operating income or (loss)                        | <u>(37,082)</u>         | <u>63,532</u>          | <u>26,450</u>     |
| Net income or (loss)                              | <u>(38,189)</u>         | <u>63,746</u>          | <u>25,557</u>     |
| Current capital:                                  |                         |                        |                   |
| Transfers   | <u>(285)</u>            | <u>(65,663)</u>        | <u>(65,948)</u>   |
| Property, plant, and equipment:                   |                         |                        |                   |
| Additions   | <u>-</u>                | <u>-</u>               | <u>-</u>          |
| Net Working Capital                               | <u>13,010</u>           | <u>6,903</u>           | <u>19,913</u>     |
| Total Assets                                      | <u>1,987,603</u>        | <u>49,984</u>          | <u>2,037,587</u>  |
| Bonds and other long-term liabilities:            |                         |                        |                   |
| Payable from operating revenues                   | <u>19,000</u>           | <u>-</u>               | <u>19,000</u>     |
| Net Assets  | <u>1,957,303</u>        | <u>26,595</u>          | <u>1,983,898</u>  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 13: Joint Power Agreements

The Village has one Joint Power Agreement as follows:

For Sewer Disconnection Powers:

|  |  |
|--|--|
| Participants   | Village of Jemez Springs and<br>Jemez Springs Water Coop                         |
| Responsible party for<br>operations  | Joint  |
| Description  | The purpose of this JPA is<br>to jointly enforce<br>nonpayment of sewer accounts |
| Beginning and ending dates<br>of agreement                                   | 11-05-02/open  |
| Total estimated amount of<br>project and portion<br>applicable to agency     | equal  |
| Amount agency contributed<br>in current fiscal year                          | -0-  |
| Audit responsibility   | Village of Jemez Springs   |
| Name of government agency<br>where revenues and<br>expenditures are reported | DFA  |

Note 14: Changes in Capital Assets  
Governmental Activities

|                                | Balance<br>7/01/08 | Additions  | Deletions  | Balance<br>6/30/09 |
|--------------------------------|--------------------|------------|------------|--------------------|
| Non-Depreciable Assets:        |                    |            |            |                    |
| Land and land improvements     | \$ 381,934         | \$ 31,650  | \$         | \$ 413,584         |
| Other Capital Assets:          |                    |            |            |                    |
| Infrastructure                 | 981,507            | 681,406    |            | 1,662,913          |
| Buildings                      | 849,102            | 75,738     |            | 924,840            |
| Furniture and equipment        | 614,163            | 79,067     |            | 693,230            |
| Improvements                   | 209,761            |            |            | 209,761            |
| Less: Accumulated Depreciation | (457,998)          |            | 106,717    | (564,715)          |
| Total                          | \$ 2,196,535       | \$ 836,211 | \$ 106,717 | \$ 2,926,029       |
| Depreciation Expense:          |                    |            |            |                    |
| General                        | 52,639             |            |            |                    |
| LEFP                           | 7,744              |            |            |                    |
| Fire                           | 41,670             |            |            |                    |
| Park                           | 2,668              |            |            |                    |
| Library                        | 1,116              |            |            |                    |
| EMS                            | 880                |            |            |                    |
|                                | \$ 106,717         |            |            |                    |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 14: Changes in Capital Assets (continued)

Business Type Activities:

|                                | Balance<br>7/01/08  | Additions | Deletions          | Balance<br>6/30/09  |
|--------------------------------|---------------------|-----------|--------------------|---------------------|
| Non-Depreciable Assets:        |                     |           |                    |                     |
| Land and land improvements     | \$ <u>15,125</u>    | \$ _____  | \$ _____           | \$ <u>15,125</u>    |
| Other Capital Assets:          |                     |           |                    |                     |
| Infrastructure                 | 671,940             |           |                    | 671,940             |
| Buildings                      | 1,191,839           |           |                    | 1,191,839           |
| Furniture and equipment        | 478,142             |           |                    | 478,142             |
| Improvements                   | 24,952              |           |                    | 24,952              |
| Less: Accumulated Depreciation | <u>(365,905)</u>    |           | <u>(63,108)</u>    | <u>(429,013)</u>    |
| Total                          | \$ <u>2,000,968</u> | \$ _____  | \$ <u>(63,108)</u> | \$ <u>1,937,860</u> |
| Depreciation Expense:          |                     |           |                    |                     |
| Waste Water Department         | 59,209              |           |                    |                     |
| Bath House                     | <u>3,899</u>        |           |                    |                     |
| Total                          | \$ <u>63,108</u>    |           |                    |                     |

Note 15: Reconciliation to GAAP Basis-General Fund

|                                   |                       |
|-----------------------------------|-----------------------|
| Cash revenues over (expenditures) | \$ 14,915             |
| Increase (Decrease) In:           |                       |
| Taxes Receivable                  | (14,124)              |
| Prepaid Expense                   | (7)                   |
| (Increase) Decrease In:           |                       |
| Accounts Payable                  | (1,223)               |
| Accrued Liabilities               | <u>(667)</u>          |
| <br>Net change in fund balances   | <br>\$ <u>(1,106)</u> |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 16: Interfund Transactions and Balances

Operating Transfers

|                       | <u>Transfers<br/>In</u> | <u>Transfers<br/>Out</u> |
|-----------------------|-------------------------|--------------------------|
| General Fund          | \$ 118,821              | \$ 36,876                |
| Capital Project Fund  | 338                     |                          |
| Debt Service          | <u>52,272</u>           |                          |
| Total General Fund    | <u>171,431</u>          | <u>36,876</u>            |
| Enterprise Fund       |                         |                          |
| Waste Water           |                         | 285                      |
| Bath House            | <u>          </u>       | <u>65,663</u>            |
| Total Enterprise Fund | <u>          </u>       | <u>65,948</u>            |
| Total Nonmajor Funds  | <u>57,244</u>           | <u>565</u>               |
| Grand Total           | \$ <u>228,675</u>       | \$ <u>103,389</u>        |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The composition of interfund balances in the fund-level financial statements is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u>   |
|------------------------|---------------------|-----------------|
| General Fund           | Agency Fund         | \$ <u>1,208</u> |

Interfund balances represent routine and temporary cash flow assistance from the General Fund until amounts are transferred from the fund accounts.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

Note 17: Rent Revenue

The Village receives rental income for the old fire station building. During 2008-2009, \$700 was received in rental income. On July 1, 2008, the lessor exercised the rental agreement option for an additional five years.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SPECIAL REVENUE FUNDS

Correction Fund - To account for the Village of Jemez Springs housing and care of prisoners. Fines and fees are collected pursuant to offenses committed within the Village boundaries, as provided by state law. Authority 33-3-25

Recreation Fund - To account for the operation of recreational activities for juveniles. Financing is provided by a tax on the sale of cigarettes. State law requires that a portion of the taxes received on the sale of cigarettes be used for recreational purposes. Authority NMSA 7-12-15

Emergency Medical Service Fund (EMS) - To account for revenues and expenditures relating to the operation of an Emergency Medical Service by the Village. Financing is provided through State of New Mexico Health and Environmental Department, Emergency Medical Services Bureau, Authority NMSA 24-10A-A to 24-10A-10.

Law Enforcement Protection Fund (LEPF) - To account for the maintenance and development of the Village's police force. Financing is provided by a grant from the state of New Mexico. Such revenue provides for the purchase and repair of equipment as well as training of police personnel and may be used only for these purposes. Authority NMSA 23-13-1

Library Grant Fund - To account for grant received from DEA and Sandoval County to assist with capital and operating expense of the municipal library. NMSA 1978 18-2-4 and NMSA 4.5.2

Lodgers Tax Fund - To account for the revenues and expenditures per the lodgers tax ordinance of the Village. Funds are restricted to the economic development of the Village. State Statute 3-38-13 Village ordinance #111

Performing Arts Fund - To account for revenues and expenditures for fund raisers and outdoor concerts performed at the Civic Center property for Economic Development as outlined by the Village of Jemez Springs' 10-year comprehensive plan.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

COMBINING BALANCE SHEET - NON MAJOR FUNDS  
SPECIAL REVENUE FUNDS AND DEBT SERVICE FUND  
June 30, 2009

| ASSETS                               | <u>Corrections</u>   | <u>L.E.P.F.</u>      | <u>Parks</u>      | <u>E.M.S.</u>        | <u>Perf.<br/>Arts</u> |
|--------------------------------------|----------------------|----------------------|-------------------|----------------------|-----------------------|
| Cash                                 | \$ 49,200            | \$ 12,637            | \$ 2,464          | \$ 983               | \$ 2,852              |
| Accounts receivable                  | <u>          </u>    | <u>          </u>    | <u>          </u> | <u>          </u>    | <u>          </u>     |
| Total Assets                         | \$ <u>49,200</u>     | \$ <u>12,637</u>     | \$ <u>2,464</u>   | \$ <u>983</u>        | \$ <u>2,852</u>       |
| <br><b>LIABILITIES</b>               |                      |                      |                   |                      |                       |
| Accounts payable                     | \$ <u>          </u> | \$ <u>          </u> | \$ <u>    26</u>  | \$ <u>          </u> | \$ <u>    14</u>      |
| Total Liabilities                    | <u>          </u>    | <u>          </u>    | <u>    26</u>     | <u>          </u>    | <u>    14</u>         |
| <br><b>FUND EQUITIES</b>             |                      |                      |                   |                      |                       |
| Fund Balance                         | <u>49,200</u>        | <u>12,637</u>        | <u>2,438</u>      | <u>983</u>           | <u>2,838</u>          |
| Total Fund Equity                    | <u>49,200</u>        | <u>12,637</u>        | <u>2,438</u>      | <u>983</u>           | <u>2,838</u>          |
| Total Liabilities<br>and Fund Equity | \$ <u>49,200</u>     | \$ <u>12,637</u>     | \$ <u>2,464</u>   | \$ <u>983</u>        | \$ <u>2,852</u>       |

| <u>Library<br/>Grants</u> | <u>Lodgers<br/>Tax</u> | <u>Special<br/>Funds<br/>Total</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Non Major<br/>Funds</u> |
|---------------------------|------------------------|------------------------------------|----------------------------------|--------------------------------------|
| \$ 209                    | \$ 7,637               | \$ 75,982                          | \$ 0                             | \$ 75,982                            |
|                           | <u>2,899</u>           | <u>2,899</u>                       |                                  | <u>2,899</u>                         |
| \$ <u>209</u>             | \$ <u>10,536</u>       | \$ <u>78,881</u>                   | \$ <u>0</u>                      | \$ <u>78,881</u>                     |
| \$ 371                    | \$ 60                  | \$ 471                             | \$                               | \$ 471                               |
| <u>371</u>                | <u>60</u>              | <u>471</u>                         | <u>0</u>                         | <u>471</u>                           |
| <u>(162)</u>              | <u>10,476</u>          | <u>78,410</u>                      |                                  | <u>78,410</u>                        |
| <u>(162)</u>              | <u>10,476</u>          | <u>78,410</u>                      | <u>0</u>                         | <u>78,410</u>                        |
| \$ <u>209</u>             | \$ <u>10,536</u>       | \$ <u>78,881</u>                   | \$ <u>0</u>                      | \$ <u>78,881</u>                     |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - NON MAJOR FUNDS  
SPECIAL REVENUE FUNDS AND DEBT SERVICE FUND  
June 30, 2009

| REVENUES   | <u>Corrections</u> | <u>L.E.P.F.</u>  | <u>Parks</u>    | <u>E.M.S.</u> | <u>Perf.<br/>Arts</u> |
|--|--------------------|------------------|-----------------|---------------|-----------------------|
| Grants   | \$                 | \$ 20,000        | \$              | \$ 1,500      | \$                    |
| Taxes  |                    |                  | 3,053           |               |                       |
| Licenses and fees  | 7,280              |                  |                 |               |                       |
| Miscellaneous  | <u>400</u>         | <u>5</u>         |                 | <u>15</u>     | <u>15,740</u>         |
| Total Revenues   | <u>7,680</u>       | <u>20,005</u>    | <u>3,053</u>    | <u>1,515</u>  | <u>15,740</u>         |
| <b>EXPENDITURES</b>  |                    |                  |                 |               |                       |
| Current:   |                    |                  |                 |               |                       |
| General government   |                    |                  |                 |               |                       |
| Public safety  | 438                | 9,628            |                 | 3,683         |                       |
| Culture and recreation   |                    |                  | 809             |               | 12,902                |
| Highways and streets   |                    |                  |                 |               |                       |
| Capital outlay   |                    | 53,065           |                 |               |                       |
| Debt Service   |                    |                  |                 |               |                       |
| Total Expenditures   | <u>438</u>         | <u>62,693</u>    | <u>809</u>      | <u>3,683</u>  | <u>12,902</u>         |
| Excess of Revenue over<br>(under) Expenditures   | 7,242              | (42,688)         | 2,244           | (2,168)       | 2,838                 |
| Other financing sources<br>(uses)  |                    |                  |                 |               |                       |
| Transfers - in   |                    | 56,144           | 350             |               |                       |
| Transfers - out  |                    | <u>(252)</u>     |                 |               |                       |
| Total other financing<br>sources (uses)  | <u>-</u>           | <u>55,892</u>    | <u>350</u>      |               | <u>-</u>              |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | 7,242              | 13,204           | 2,594           | (2,168)       | 2,838                 |
| Fund balance -<br>beginning of year  | <u>41,958</u>      | <u>(567)</u>     | <u>(156)</u>    | <u>3,151</u>  | <u>0</u>              |
| Fund balance -<br>end of year  | \$ <u>49,200</u>   | \$ <u>12,637</u> | \$ <u>2,438</u> | \$ <u>983</u> | \$ <u>2,838</u>       |

| <u>Library<br/>Grants</u> | <u>Lodgers<br/>Tax</u> | <u>Special<br/>Funds<br/>Total</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Non Major<br/>Funds</u> |
|---------------------------|------------------------|------------------------------------|----------------------------------|--------------------------------------|
| \$ 6,904                  | \$ 15,806              | \$ 28,404                          | \$                               | \$ 28,404                            |
| <u>1,515</u>              | <u>          </u>      | 18,859                             |                                  | 18,859                               |
|                           |                        | 7,280                              |                                  | 7,280                                |
|                           |                        | <u>17,675</u>                      | <u>          </u>                | <u>17,675</u>                        |
| <u>8,419</u>              | <u>15,806</u>          | <u>72,218</u>                      | <u>          -</u>               | <u>72,218</u>                        |
| 13,689                    | 19,139                 | 13,749                             |                                  | 13,749                               |
|                           |                        | 46,539                             |                                  | 46,539                               |
|                           |                        | 53,065                             |                                  | 53,065                               |
| <u>          </u>         | <u>          </u>      | <u>          </u>                  | <u>52,272</u>                    | <u>52,272</u>                        |
| <u>13,689</u>             | <u>19,139</u>          | <u>113,353</u>                     | <u>52,272</u>                    | <u>165,625</u>                       |
| (5,270)                   | (3,333)                | (41,135)                           | (52,272)                         | (93,407)                             |
| 750                       |                        | 57,244                             | 52,272                           | 109,516                              |
| <u>          </u>         | <u>(313)</u>           | <u>(565)</u>                       | <u>          </u>                | <u>(565)</u>                         |
| <u>750</u>                | <u>(313)</u>           | <u>56,679</u>                      | <u>52,272</u>                    | <u>108,951</u>                       |
| (4,520)                   | (3,646)                | 15,544                             | 0                                | 15,544                               |
| <u>4,358</u>              | <u>14,122</u>          | <u>62,866</u>                      | <u>          0</u>               | <u>62,866</u>                        |
| \$ <u>(162)</u>           | \$ <u>10,476</u>       | \$ <u>78,410</u>                   | \$ <u>          0</u>            | \$ <u>78,410</u>                     |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
CORRECTION FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Charges for services   | \$ 9,930           | \$ 9,930          | \$ 7,280          | \$ (2,650)                             |
| Intergovernmental  |                    |                   |                   |  |
| Taxes  |                    |                   |                   |  |
| Miscellaneous  | <u>          </u>  | <u>          </u> | <u>    400</u>    | <u>    400</u>                         |
| Total Revenues   | <u>9,930</u>       | <u>9,930</u>      | <u>7,680</u>      | <u>(2,250)</u>                         |
| <br><b>EXPENDITURES</b>  |                    |                   |                   |  |
| General government   |                    |                   |                   |  |
| Public safety  | 1,500              | 1,500             | 513               | 987                                    |
| Culture and recreation   |                    |                   |                   |  |
| Health and welfare   |                    |                   |                   |  |
| Capital outlay   | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Total expenditures   | <u>1,500</u>       | <u>1,500</u>      | <u>    513</u>    | <u>    987</u>                         |
| Excess of Revenue over<br>(under) Expenditures   | 8,430              | 8,430             | 7,167             | 1,263                                  |
| Other financing sources<br>(uses)  |                    |                   |                   |  |
| Transfers - in   |                    |                   |                   |  |
| Transfers - out  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Total other financing<br>sources (uses)  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>8,430</u>    | \$ <u>8,430</u>   | \$ 7,167          | \$ <u>1,263</u>                        |
| Reconciliation to GAAP:  |                    |                   |                   |  |
| (Increase) in accounts payable   |                    |                   | <u>    75</u>     |  |
| Net change in fund balance   |                    |                   | \$ <u>7,242</u>   |  |



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
PARK AND RECREATION FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br><u>Budget</u> | Final<br><u>Budget</u> | <u>Actual</u>   | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------------|------------------------|-----------------|--|
| Charges for services   | \$                        | \$                     | \$              | \$                                     |
| Grants   | 375                       | 3,053                  | 3,053           | -                                      |
| Taxes  |                           |                        |                 |  |
| Licenses and fees  |                           |                        |                 |  |
| Miscellaneous  | —                         | —                      | —               | —                                      |
| Total Revenues   | <u>375</u>                | <u>3,053</u>           | <u>3,053</u>    | <u>-</u>                               |
| <b>EXPENDITURES</b>  |                           |                        |                 |  |
| General government   |                           |                        |                 |  |
| Public safety  |                           |                        |                 |  |
| Culture and recreation   | 406                       | 406                    | 783             | (377)                                  |
| Capital outlay   | —                         | —                      | —               | —                                      |
| Total expenditures   | <u>406</u>                | <u>406</u>             | <u>783</u>      | <u>(377)</u>                           |
| Excess of Revenue over<br>(under) Expenditures   | (31)                      | 2,647                  | 2,270           | 377                                    |
| Other financing sources<br>(uses)  |                           |                        |                 |  |
| Transfers - in   |                           | 350                    | 350             | -                                      |
| Transfers - out  | —                         | —                      | —               | —                                      |
| Total other financing<br>sources (uses)  | <u>-</u>                  | <u>350</u>             | <u>350</u>      | <u>-</u>                               |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(31)</u>            | \$ <u>2,997</u>        | \$ 2,620        | \$ <u>377</u>                          |
| Reconciliation to GAAP:  |                           |                        |                 |  |
| (Increase) accounts receivable   |                           |                        | <u>(26)</u>     |  |
| Net change in fund balance   |                           |                        | \$ <u>2,594</u> |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
EMERGENCY MEDICAL SERVICE FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br><u>Budget</u> | Final<br><u>Budget</u> | <u>Actual</u>     | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|---------------------------|------------------------|-------------------|---|
| Charges for services   | \$                        | \$                     | \$                | \$  |
| Grants   | 5,000                     | 5,000                  | 1,500             | (3,500)                                       |
| Taxes  |                           |                        |                   |   |
| Licenses and fees  |                           |                        |                   |   |
| Miscellaneous  | <u>          </u>         | <u>          </u>      | <u>      15</u>   | <u>      15</u>                               |
| Total Revenues   | <u>5,000</u>              | <u>5,000</u>           | <u>1,515</u>      | <u>(3485)</u>                                 |
| <br><b>EXPENDITURES</b>  |                           |                        |                   |   |
| General government   |                           |                        |                   |   |
| Public safety  | 5,840                     | 5,840                  | 3,683             | 2,157   |
| Culture and recreation   |                           |                        |                   |   |
| Health and welfare   |                           |                        |                   |   |
| Capital outlay   | <u>          </u>         | <u>          </u>      | <u>          </u> | <u>          </u>                             |
| Total expenditures   | <u>5,840</u>              | <u>5,840</u>           | <u>3,683</u>      | <u>2,157</u>                                  |
| Excess of Revenue over<br>(under) Expenditures   | (840)                     | (840)                  | (2,168)           | (1,328)                                       |
| Other financing sources<br>(uses)  |                           |                        |                   |   |
| Transfers - in   |                           |                        |                   |   |
| Transfers - out  | <u>          </u>         | <u>          </u>      | <u>          </u> | <u>          </u>                             |
| Total other financing<br>sources (uses)  | <u>          </u>         | <u>          </u>      | <u>          </u> | <u>          </u>                             |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(840)</u>           | \$ <u>(840)</u>        | \$ <u>(2,168)</u> | \$ <u>(1,328)</u>                             |
| Budget - Cash appropriated<br>from prior year for current<br>year expenditures         | \$ <u>3,151</u>           | \$ <u>3,151</u>        |                   |   |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
LAW ENFORCEMENT PROTECTION FUND  
For the Year Ended June 30, 2009

|  | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| <b>REVENUES</b>  |                    |                   |                   |  |
| Charges for services   | \$                 | \$                | \$                | \$                                     |
| Grants   | 20,000             | 20,000            | 20,000            | -                                      |
| Taxes  |                    |                   |                   |  |
| Licenses and fees  |                    |                   |                   |  |
| Loan proceeds  |                    |                   | 56,144            | 56,144                                 |
| Miscellaneous  |                    |                   | <u>5</u>          | <u>5</u>                               |
| <br>Total Revenues   | <br><u>20,000</u>  | <br><u>20,000</u> | <br><u>76,149</u> | <br><u>56,149</u>                      |
| <br><b>EXPENDITURES</b>  |                    |                   |                   |  |
| General government   |                    |                   |                   |  |
| Public safety  | 20,000             | 20,000            | 10,445            | 9,555                                  |
| Culture and recreation   |                    |                   |                   |  |
| Health and welfare   |                    |                   |                   |  |
| Debt service   |                    |                   |                   |  |
| Capital outlay   |                    |                   | <u>53,065</u>     | <u>(53,065)</u>                        |
| <br>Total expenditures   | <br><u>20,000</u>  | <br><u>20,000</u> | <br><u>63,510</u> | <br><u>(43,510)</u>                    |
| <br>Excess of Revenue over<br>(under) Expenditures   |                    |                   | <br>12,639        | <br>12,639                             |
| <br>Other financing sources  |                    |                   |                   |  |
| Transfers - in   |                    |                   |                   |  |
| Transfers - out  |                    |                   | <u>(252)</u>      | <u>(252)</u>                           |
| Total other financing<br>sources (uses)  | <u>-</u>           | <u>-</u>          | <u>(252)</u>      | <u>(252)</u>                           |
| <br>Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | <br>\$ <u>-</u>    | <br>\$ <u>-</u>   | <br>\$ 12,387     | <br>\$ <u>12,387</u>                   |
| <br>Reconciliation to GAAP:  |                    |                   |                   |  |
| (Decrease) in accounts payable   |                    |                   | <u>817</u>        |  |
| Net change in fund balance   |                    |                   | \$ <u>13,204</u>  |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
LIBRARY GRANT FUND

For the Year Ended June 30, 2009

|  | Original<br><u>Budget</u> | Final<br><u>Budget</u> | <u>Actual</u>     | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|---------------------------|------------------------|-------------------|---|
| <b>REVENUES</b>  |                           |                        |                   |   |
| Charges for services   | \$ 3,000                  | \$ 5,404               | \$ 6,904          | \$ 1,500                                      |
| Grants   |                           |                        |                   |   |
| Taxes  |                           |                        |                   |   |
| Licenses and fees  |                           |                        |                   |   |
| Miscellaneous  | <u>          </u>         | <u>3,016</u>           | <u>1,515</u>      | <u>(1,501)</u>                                |
| Total Revenues   | <u>3,000</u>              | <u>8,420</u>           | <u>8,419</u>      | <u>(1)</u>                                    |
| <b>EXPENDITURES</b>  |                           |                        |                   |   |
| General government   |                           |                        |                   |   |
| Public safety  |                           |                        |                   |   |
| Culture and recreation   | 8,487                     | 13,751                 | 13,757            | (6)   |
| Health and welfare   |                           |                        |                   |   |
| Capital outlay   |                           |                        |                   |   |
| Total expenditures   | <u>8,487</u>              | <u>13,751</u>          | <u>13,757</u>     | <u>(6)</u>                                    |
| Excess of Revenue over<br>(under) Expenditures   | (5,487)                   | (5,331)                | (5,338)           | (7)   |
| Other financing sources<br>(uses)  |                           |                        |                   |   |
| Transfers - in   | 750                       | 750                    | 750               | -   |
| Transfers - out  | <u>          </u>         | <u>          </u>      | <u>          </u> | <u>          </u>                             |
| Total other financing<br>sources (uses)  | <u>750</u>                | <u>750</u>             | <u>750</u>        | <u>-</u>                                      |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(4,737)</u>         | \$ <u>(4,581)</u>      | \$ (4,588)        | \$ <u>(7)</u>                                 |
| Budget-Cash appropriated<br>from prior year for current<br>year expenditures           | \$ <u>4,796</u>           | \$ <u>4,796</u>        |                   |   |
| Reconciliation to GAAP:  |                           |                        |                   |   |
| (Increase) in accounts payable   |                           |                        | <u>68</u>         |   |
| Net change in fund balance   |                           |                        | <u>\$ (4,520)</u> |   |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
LODGERS TAX FUND

For the Year Ended June 30, 2009

| REVENUES   | Original<br><u>Budget</u> | Final<br><u>Budget</u> | <u>Actual</u>     | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------------|------------------------|-------------------|--|
| Charges for services   | \$                        | \$                     | \$                | \$                                     |
| Grants   |                           |                        |                   |  |
| Taxes  | 13,000                    | 14,667                 | 14,667            | -                                      |
| Licenses and fees  |                           |                        |                   |  |
| Miscellaneous  |                           |                        |                   |  |
| Total Revenues   | <u>13,000</u>             | <u>14,667</u>          | <u>14,667</u>     | <u>-</u>                               |
| <br><b>EXPENDITURES</b>  |                           |                        |                   |  |
| General government   |                           |                        |                   |  |
| Public safety  |                           |                        |                   |  |
| Culture and recreation   | 21,952                    | 21,952                 | 19,109            | 2,843                                  |
| Capital outlay   |                           |                        |                   |  |
| Total expenditures   | <u>21,952</u>             | <u>21,952</u>          | <u>19,109</u>     | <u>2,843</u>                           |
| Excess of Revenue over<br>(under) Expenditures   | (8,952)                   | (7,285)                | (4,442)           | 2,843                                  |
| Other financing sources<br>(uses)  |                           |                        |                   |  |
| Transfers - in   |                           |                        |                   |  |
| Transfers - out  | <u>          </u>         | <u>          </u>      | <u>(313)</u>      | <u>(313)</u>                           |
| Total other financing<br>sources (uses)  | <u>-</u>                  | <u>-</u>               | <u>(313)</u>      | <u>(313)</u>                           |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(8,952)</u>         | \$ <u>(7,285)</u>      | \$ (4,755)        | \$ <u>2,530</u>                        |
| Budget-Cash appropriated<br>from prior year for current<br>year expenditures           | \$ <u>12,392</u>          | \$ <u>12,392</u>       |                   |  |
| Reconciliation to GAAP:  |                           |                        |                   |  |
| Increase in accounts receivable  |                           |                        | 1,139             |  |
| (Increase) in accounts payable   |                           |                        | <u>(30)</u>       |  |
| Net change in fund balance   |                           |                        | \$ <u>(3,646)</u> |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
PERFORMING ARTS FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
|  | \$                 | \$                | \$                | \$                                     |
| Taxes  |                    |                   |                   |  |
| Grants   |                    |                   |                   |  |
| Donations  |                    |                   |                   |  |
| Other receipts   | <u>6,000</u>       | <u>15,740</u>     | <u>15,740</u>     | <u>-</u>                               |
| Total Revenues   | <u>6,000</u>       | <u>15,740</u>     | <u>15,740</u>     | <u>-</u>                               |
| <br><b>EXPENDITURES</b>  |                    |                   |                   |  |
| General government   |                    |                   |                   |  |
| Public safety  |                    |                   |                   |  |
| Culture and recreation   | -                  | 12,888            | 12,888            | -                                      |
| Highway and streets  |                    |                   |                   |  |
| Capital outlay   | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Total expenditures   | <u>-</u>           | <u>12,888</u>     | <u>12,888</u>     | <u>-</u>                               |
| Excess of Revenue over<br>(under) Expenditures   | 6,000              | 2,852             | 2,852             | -                                      |
| Other financing sources<br>(uses)  |                    |                   |                   |  |
| Transfers - in   |                    |                   |                   |  |
| Transfers - out  | <u>          </u>  | <u>          </u> | <u>          </u> | <u>          </u>                      |
| Total other financing<br>sources (uses)  | <u>-</u>           | <u>-</u>          | <u>-</u>          | <u>-</u>                               |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | <u>\$ 6,000</u>    | <u>\$ 2,852</u>   | <u>\$ 2,852</u>   | <u>\$ -</u>                            |
| Reconciliation to GAAP Basis:  |                    |                   |                   |  |
| (Increase) in accounts payable   |                    |                   | <u>    (1.4)</u>  |  |
| Net change in fund balance   |                    |                   | <u>\$ 2,838</u>   |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

DEBT SERVICE FUND

To account for the obligations of the Village and payment of those obligations.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget | Final<br>Budget  | Actual        | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|------------------|---------------|--|
| Taxes  | \$                 | \$               | \$            | \$                                     |
| Miscellaneous  | _____              | _____            | _____         | _____                                  |
| Total Revenues   | _____              | _____            | _____         | _____                                  |
| <b>EXPENDITURES</b>  |                    |                  |               |  |
| Debt Service   | <u>32,899</u>      | <u>58,772</u>    | <u>58,772</u> | -                                      |
| Total expenditures   | <u>32,899</u>      | <u>58,772</u>    | <u>58,772</u> | -                                      |
| Excess of Revenue over<br>(under) Expenditures   | (32,899)           | (58,772)         | (58,772)      | -                                      |
| Other financing sources<br>(uses)  |                    |                  |               |  |
| Transfers - in   | 6,500              | 58,772           | 58,772        |  |
| Transfers - out  | _____              | _____            | _____         | _____                                  |
| Total other financing<br>sources (uses)  | <u>6,500</u>       | <u>58,772</u>    | <u>58,772</u> | _____                                  |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(26,399)</u> | \$ _____         | \$ _____      | \$ _____                               |
| Budget - Cash appropriated<br>from prior year for current<br>year expenditures         | \$ <u>26,399</u>   | \$ <u>26,399</u> |               |  |



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

CAPITAL PROJECTS FUND

Capital Improvements Projects Fund - To account for the financing, construction, and maintenance of capital outlay in the government funds within the Village.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
GOVERNMENTAL FUNDS - CAPITAL IMPROVEMENTS  
For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget              | Final<br>Budget                 | Actual                      | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------------------|---------------------------------|-----------------------------|--|
| Grants   | \$ 1,282,605                    | \$ 1,282,605                    | \$ 481,339                  | \$ (801,266)                           |
| Appropriations   | 129,277                         | 129,277                         | 52,652                      | (76,625)                               |
| Other  | <u>                    </u>     | <u>                    </u>     | <u>                    </u> | <u>                    </u>            |
| <br>Total Revenues   | <br><u>1,411,882</u>            | <br><u>1,411,882</u>            | <br><u>533,991</u>          | <br><u>(877,891)</u>                   |
| <br>EXPENDITURES   |                                 |                                 |                             |  |
| General government   |                                 |                                 | 338                         | (338)                                  |
| Public safety  |                                 |                                 |                             |  |
| Culture and recreation   | 112,577                         | 112,577                         | 101,708                     | 10,869                                 |
| Highways and streets   | 1,282,605                       | 1,282,605                       | 505,724                     | 776,881                                |
| Capital outlay   | <u>                    </u>     | <u>                    </u>     | <u>                    </u> | <u>                    </u>            |
| <br>Total expenditures   | <br><u>1,395,182</u>            | <br><u>1,395,182</u>            | <br><u>607,770</u>          | <br><u>787,412</u>                     |
| <br>Excess of Revenue over<br>(under) Expenditures   | <br>16,700                      | <br>16,700                      | <br>(73,779)                | <br>90,479                             |
| <br>Other financing sources<br>(uses)  |                                 |                                 |                             |  |
| Transfers - in   |                                 |                                 | 338                         | 338                                    |
| Transfers - out  | <u>                    </u>     | <u>                    </u>     | <u>                    </u> | <u>                    </u>            |
| <br>Total other financing<br>sources (uses)  | <br><u>                    </u> | <br><u>                    </u> | <br><u>338</u>              | <br><u>338</u>                         |
| <br>Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | <br>\$ <u>16,700</u>            | <br>\$ <u>16,700</u>            | <br>\$ <u>(73,441)</u>      | <br>\$ <u>90,141</u>                   |
| <br>Reconciliation to GAAP Basis:  |                                 |                                 |                             |  |
| Increase(decrease) Accounts Receivable   |                                 |                                 | 182,068                     |  |
| (Increase)decrease in accounts payable   |                                 |                                 | <u>(133,773)</u>            |  |
| <br>Net change in fund balance   |                                 |                                 | <br>\$ <u>(25,146)</u>      |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

ENTERPRISE FUND

The Enterprise Fund is used to account for the operations of services provided to the general public.

Waste Water Fund - The Village accounts for the provision of sewer services in this fund.

Bath House Fund - The Village accounts for the operation of the Bath House in this fund.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
ENTERPRISE FUND  
WASTE WATER

For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget | Final<br>Budget   | Actual             | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------|--------------------|--|
| Charges for services   | \$ 92,350          | \$ 92,350         | \$ 94,553          | \$ 2,203                               |
| Miscellaneous  | <u>350</u>         | <u>350</u>        | <u>393</u>         | <u>43</u>                              |
| Total Revenues   | <u>92,700</u>      | <u>92,700</u>     | <u>94,946</u>      | <u>2,246</u>                           |
| <b>EXPENDITURES</b>  |                    |                   |                    |  |
| Operating expense  | 86,791             | 86,791            | 72,426             | 14,365                                 |
| Debt service   |                    |                   | 6,500              | (6,500)                                |
| Capital outlay   | <u>          </u>  | <u>          </u> | <u>          </u>  | <u>          </u>                      |
| Total expenditures   | <u>86,791</u>      | <u>86,791</u>     | <u>78,926</u>      | <u>7,865</u>                           |
| Excess of Revenue over<br>(under) Expenditures   | 5,909              | 5,909             | 16,020             | 10,111                                 |
| Other financing sources<br>(uses)  |                    |                   |                    |  |
| Transfers - in   |                    |                   |                    |  |
| Transfers - out  | (6,500)            | (6,500)           | (285)              | (6,215)                                |
| Total other financing<br>sources (uses)  | <u>(6,500)</u>     | <u>(6,500)</u>    | <u>(285)</u>       | <u>(6,215)</u>                         |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>(591)</u>    | \$ <u>(591)</u>   | 15,735             | \$ <u>16,326</u>                       |
| Budget - Cash appropriated<br>from prior year for current<br>year expenditures         | \$ <u>35,611</u>   | \$ <u>35,611</u>  |                    |  |
| Reconciliation to GAAP   |                    |                   |                    |  |
| Depreciation   |                    |                   | (59,209)           |  |
| Principle loan payment   |                    |                   | <u>5,000</u>       |  |
|  |                    |                   | \$ <u>(38,474)</u> |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

BUDGETARY COMPARISON SCHEDULE  
ENTERPRISE FUND  
BATH HOUSE FUND  
For the Year Ended June 30, 2009

| REVENUES   | Original<br>Budget | Final<br>Budget | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|-------------------|--|
| Charges for services   | \$ 331,000         | \$ 331,000      | \$ 309,134        | \$ (21,866)                            |
| Miscellaneous  | <u>45,000</u>      | <u>45,000</u>   | <u>55,850</u>     | <u>10,850</u>                          |
| Total Revenues   | <u>376,000</u>     | <u>376,000</u>  | <u>364,984</u>    | <u>(11,016)</u>                        |
| <b>EXPENDITURES</b>  |                    |                 |                   |  |
| Operating expense  | 375,299            | 375,299         | 297,339           | 77,960                                 |
| Capital outlay   | _____              | _____           | _____             | _____                                  |
| Total expenditures   | <u>375,299</u>     | <u>375,299</u>  | <u>297,339</u>    | <u>77,960</u>                          |
| Excess of Revenue over<br>(under) Expenditures   | 701                | 701             | 67,645            | 66,944                                 |
| Other financing sources<br>(uses)  |                    |                 |                   |  |
| Transfers - in   |                    |                 |                   |  |
| Transfers - out  | _____              | _____           | <u>(65,663)</u>   | <u>(65,663)</u>                        |
| Total other financing<br>sources (uses)  | _____              | _____           | <u>(65,663)</u>   | <u>(65,663)</u>                        |
| Revenues and other<br>financing sources over<br>(under) expenditures<br>and other uses | \$ <u>701</u>      | \$ <u>701</u>   | 1,982             | \$ <u>1,281</u>                        |
| Reconciliation to GAAP   |                    |                 |                   |  |
| Depreciation   |                    |                 | <u>(3,899)</u>    |  |
|  |                    |                 | \$ <u>(1,917)</u> |  |

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

FIDUCIARY FUND

Court Fees - To account for the collection and payment of fees on behalf of the Administrative Office of the Courts and the Judicial Educational Center.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-  
AGENCY FUNDS  
June 30, 2009

| ASSETS            | Balance<br><u>6/30/08</u> | Additions<br><u>                    </u> | Deletions<br><u>                    </u> | Balance<br><u>6/30/09</u> |
|-------------------|---------------------------|--|--|---------------------------|
| Cash              | \$ <u>548</u>             | \$ <u>2,920</u>                          | \$ <u>2,260</u>                          | \$ <u>1,208</u>           |
| Total assets      | \$ <u>548</u>             | \$ <u>2,920</u>                          | \$ <u>2,260</u>                          | \$ <u>1,208</u>           |
| LIABILITIES       |                           |  |  |                           |
| Due to others     | \$ <u>548</u>             | \$ <u>2,920</u>                          | \$ <u>2,260</u>                          | \$ <u>1,208</u>           |
| Total liabilities | \$ <u>548</u>             | \$ <u>2,920</u>                          | \$ <u>2,260</u>                          | \$ <u>1,208</u>           |

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, REQUIRED BY  
*GOVERNMENTAL AUDITING STANDARDS*

Heckor Balderas, State Auditor  
and  
John H. Garcia, Mayor  
and The Board of Trustees  
Village of Jemez Springs  
Jemez Springs, New Mexico

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison for the General Fund and the Major Special Revenue Funds, the supplemental information and the aggregate remaining fund information of the State of New Mexico Village of Jemez Springs ("Village") as of and for the year ended June 30, 2009, and have issued my report thereon dated November 18, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Village's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Village's financial statements that is more than inconsequential will not be prevented or detected by Village's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Village's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of audit findings and recommendations as items 2009-1.

The Village's response to the findings identified in my audit is described in the accompanying Schedule of Findings. I did not audit the Village's response and accordingly, I express no opinion on it.

This report is intended solely for the information and use of State of New Mexico Village of Jemez Springs management, the Office of the New Mexico State Auditor, the State of New Mexico Department of Finance and Administration, the New Mexico Legislative Finance Committee and applicable federal grantors and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Kathleen R. Lane, F.C.  
November 18, 2009

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2009

Section 1 - Summary of Audit Results

Financial Statements

|  |                              |  |
|--|------------------------------|--|
| Type of Auditor's Report Issued  | Unqualified                  |  |
| Internal control over financial reporting material weaknesses identified?              | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Significant deficiencies identified that are not considered to be material weaknesses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Noncompliance material to financial statements noted?                                  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Prior Year Findings, Resolved/Not Repeated

2005-1 Reconciliation of total cash and investments to DFA report

Current Year Findings

2009-1 Overspending of Funds and Budgets

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF FINDINGS  
June 30, 2009

CURRENT YEAR FINDINGS

2009-1 Overspending of Funds and Budgets

Condition: It was noted that the budget was overspent in the following funds:

|                                      |          |
|--------------------------------------|----------|
| Emergency Medical Services (page 55) | \$ 1,328 |
| Library Grant Fund (page 57)         | \$ 7     |

Criteria: By statute (NMSA 6-6-6), the approved budget for a local public body is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof.

Effect: The budget was not followed and the Village is in violation of statute.

Cause: The Village accounting system does not clearly indicate the budget provided for clear allocation of funds to the proper accounts. There is too much manual processing necessary to allocate the funds to the proper account. Also, the Village is not using the encumbrance system to track obligations of each fund.

Recommendations: The Village should review the Peachtree income and expense statements prepared each month for each fund and track budget versus actual. Peachtree software has the capability to track the budget versus actual. The reports should be used by the Village Clerk to report on individual funds and insure that the funds are in balance and adjust the budget as situations arise. In addition, the encumbrance system should be implemented.

Response: The Village of Jemez Springs concurs.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

June 30, 2009

The financial statements of the Village of Jemez Springs, New Mexico, for the year ended June 30, 2009, were prepared by Kathleen R. Lane, P.C.

Exit Conference:

An exit conference was held November 19, 2009.

Representing the Village:

John Garcia, Mayor  
Diane Lewis, Treasurer/HR Director

Representing Kathleen R. Lane, P.C.:

Kathleen R. Lane