

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

**FINANCIAL STATEMENTS**

**June 30, 2012**

**(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, 2012

(With Independent Auditor's Reports Thereon)

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

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June 30, 2012**

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VILLAGE OF JEMEZ SPRINGS**

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

**OFFICIAL ROSTER  
June 30, 2012**

**Elected Officials**

Edmond Temple - Mayor

Pamela Grider - Mayor Pro-Tem

David Ryan - Trustee

Robert Wilson - Trustee

John Merhege - Trustee

**Administration**

Ona Trujillo - Clerk/Treasurer

**INDEPENDENT AUDITOR'S REPORT**

Hector Balderas, State Auditor  
and  
Edmond Temple, 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, 2012, 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, 2012, 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, 2012, 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 previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, 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 27, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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



November 27, 2012

## **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, 2012. Please read it in conjunction with the Village's financial statements, which begins on page 11.

### Financial Highlights

The Village of Jemez Springs' total net assets decreased 3.8 percent as a result of this year's operations. Net assets of our business-type activities decreased by \$61,198, or 3.2 percent, due to administration fees transferred to the general fund and net assets of our governmental activities decreased by \$158,512, or 4 percent, due to decrease in tax revenue, grants and depreciation.

During the year, the Village of Jemez Springs had expenses that were \$101,488 more 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 expense exceeded revenue by \$92,996.

In the Village of Jemez Springs' business-type activities, operating revenues decreased to \$439,603 from \$477,991 and expenses decreased to \$443,592 from \$475,719 in 2011.

Total cost of all of the Village of Jemez Springs' governmental programs decreased by \$84,094 or nearly 14.6 percent.

The general fund reported a decrease this year of \$34,258.

### 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 not 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 69. 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)**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 273	\$ 333	\$ 77	\$ 73	\$ 350	\$ 406
Capital assets	<u>3,541</u>	<u>3,681</u>	<u>1,771</u>	<u>1,829</u>	<u>5,312</u>	<u>5,510</u>
Total assets	<u>3,814</u>	<u>4,014</u>	<u>1,848</u>	<u>1,902</u>	<u>5,662</u>	<u>5,916</u>
Long-term debt outstanding	12	37			12	37
Other liabilities	<u>72</u>	<u>89</u>	<u>28</u>	<u>20</u>	<u>100</u>	<u>109</u>
Total liabilities	<u>84</u>	<u>126</u>	<u>28</u>	<u>20</u>	<u>112</u>	<u>146</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	3,505	3,620	1,771	1,829	5,276	5,449
Restricted	137	147			137	147
Unrestricted	<u>88</u>	<u>121</u>	<u>49</u>	<u>53</u>	<u>137</u>	<u>174</u>
Total net assets	\$ <u>3,730</u>	\$ <u>3,888</u>	\$ <u>1,820</u>	\$ <u>1,882</u>	\$ <u>5,550</u>	\$ <u>5,770</u>

The net assets of our business-type activities decreased by 3.2 percent (\$1,881,550 compared to \$1,820,312 in 2012); this decrease was generated from depreciation and administration fees paid from the Bath House Enterprise and Waste Water to the general fund in the form of transfers.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 52	\$ 31	\$ 439	\$ 478	\$ 491	\$ 509
State grants	143	252			143	252
General revenues						
State taxes	166	148			166	148
Other taxes	19	22			19	22
Other	12	32	1		13	32
Total revenues	<u>392</u>	<u>485</u>	<u>440</u>	<u>478</u>	<u>832</u>	<u>963</u>
<b>Expenses</b>						
General government	287	260			287	260
Public safety	186	204			186	204
Culture and recreation	97	100			97	100
Highway and streets	36	133			36	133
Interest on long-term debt	2	3			2	3
Bath House			304	333	304	333
Sewer			140	143	140	143
Total expenses	<u>608</u>	<u>700</u>	<u>444</u>	<u>476</u>	<u>1,052</u>	<u>1,176</u>
Excess (deficiency) before special items and transfers	(216)	(215)	(4)	2	(220)	(213)
Transfers	<u>58</u>	<u>53</u>	<u>(58)</u>	<u>(62)</u>	<u>-</u>	<u>1</u>
Increase (decrease) in net assets	\$ <u>(158)</u>	\$ <u>(162)</u>	\$ <u>(54)</u>	\$ <u>(50)</u>	\$ <u>(220)</u>	\$ <u>(212)</u>

The Village's total revenues (excluding special items) decreased by \$131,481. The total cost of all programs and services was decreased by \$124,074. 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) decreased by \$38,187 (\$440,145 in 2012 compared to \$478,332 in 2011) and expenses decreased by \$32,127. The factors driving these results include:

The Bath House was in operation for the entire year of 2012 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 \$66,000 for FY 2012, which is reflected in transfers.

The Jemez Springs Sewer System saw its operation revenues increase by \$1,397, due to a 4% increase in billing usage, while operating expenses decreased \$3,056. The Waste Water system paid \$3,000 to the Village of Jemez Springs for administrative costs, which is reflected in transfers.

### The Village Fund

The Village of Jemez Springs had a decrease of \$38,893 in the Village's General Fund. The primary reasons for the General Fund's increase 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 \$92,586, while total expenses decreased \$84,094. The cost of all governmental activities this year was \$493,101 compared to \$577,195 last 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, \$5,104 of these resources, were used for general road maintenance.

### General Fund Budgetary Highlights

The Village Board of Trustees did not revise the Village of Jemez Springs' budget during the year. There were no amendments to the enterprise funds this year.

### Capital Asset and Debt Administration Capital Assets

At the end of 2012, the Village of Jemez Springs had \$5,312,206 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 decrease (including additions and deductions) of \$197,477 over last year.

**Table 3**  
**Village of Jemez Springs**  
**Change in Capital Assets**

	Net Balance <u>June 30, 2011</u>	Additions/ Deletions	Balance <u>June 30, 2012</u>
<b>Non-Depreciable Assets:</b>			
Land and land improvements	\$ <u>428,709</u>	\$ _____	\$ <u>428,709</u>
<b>Other Capital Assets:</b>			
Infrastructure	2,957,428		2,957,428
Buildings	2,116,679		2,116,679
Furniture and other equipment	1,161,372		1,161,372
Improvements	234,713		234,713
Less: Accumulated depreciation	(1,389,217)	(197,477)	(1,586,694)
Total other capital asset	\$ <u>5,080,975</u>	\$ (197,477)	\$ <u>4,883,498</u>

Capital Asset and Debt Administration Capital Assets

There were no major additions to capital assets.

Debt

At year end, the Village had \$36,775 in outstanding debt versus \$60,805 last year - a decrease of 39.5 percent - as shown in Table 4.

**Table 4**  
**Village of Jemez Springs**  
**Outstanding Debt**  
**at June 30, 2012**

	Governmental Activities	Net Business-type Activities	Total Primary Government
NM Finance Authority	\$ <u>36,775</u>	\$ _____	\$ <u>36,775</u>
Totals	\$ <u>36,775</u>	\$ _____	\$ <u>36,775</u>

Other obligations include accrued compensated absences. 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 reviewed many factors in the preparation of the 2012/2013 fiscal year budget. Factors considered included continued decreasing tourist traffic, and reduced GRT and Bath House revenues. The Village's sewer usage fees were raised 4 percent. All Department managers were asked to tighten their budgets. These efforts and considerations led the Village to develop a budget approximately 9% below the previous fiscal year's budget.

These indicators were taken into account when adopting the General Fund budget for 2012. Amounts available for expenditures in the General Fund budget are \$336,850, a decrease of 6.8% over the final 2012 budget of \$361,448. There are some wage increase adjustments in the FY 2012 budget.

If these estimates are realized, the Village of Jemez Springs budgetary General Fund balance is expected a slight to moderate decrease by the close of 2012. More importantly, however, we will not have to sell capital assets or restructure long-term debt to alleviate cash flow pressures.

The Village of Jemez Springs has requested that FY 2011/2012 Highway Department Co-Op monies be extended and used for the design, construction, and reconstruction, drainage improvements and miscellaneous improvements of various Village streets.

As for the Village of Jemez Springs business-type activities, we expect that the 2012 results will also continue to improve. The Jemez Springs Sewer System Enterprise continue to build reserve accounts for future capital improvements and will have another 4% usage fee increase in the spring of 2013.

## 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 Clerk/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, 2012**

<b>ASSETS</b>	<u>Government</u>	<u>Primary Government Business Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Current Assets:			
Cash and cash equivalents (Note 10)	\$ 223,912	\$ 60,840	\$ 284,752
Receivables (net)	5,028	8,057	13,085
Taxes receivable	30,189		30,189
Due to/from others (Note 15)	2,508		2,508
Prepaid expenses	10,833	900	11,733
Inventories		6,971	6,971
Total current assets	<u>272,470</u>	<u>76,768</u>	<u>349,238</u>
Noncurrent Assets:			
Land	413,584	15,125	428,709
Capital assets, net of depreciation (Note 13)	<u>3,127,549</u>	<u>1,755,948</u>	<u>4,883,497</u>
Total noncurrent assets	<u>3,541,133</u>	<u>1,771,073</u>	<u>5,312,206</u>
Total Assets	<u>\$ 3,813,603</u>	<u>\$ 1,847,841</u>	<u>\$ 5,661,444</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 2,134	\$ 4,915	\$ 7,049
Accrued liabilities	42,098	17,841	59,939
Due within one year (Note 5)	<u>27,983</u>	<u>4,733</u>	<u>32,716</u>
Total current liabilities	72,215	27,489	99,704
Noncurrent liabilities:			
Due in more than one year (Note 5)	<u>11,946</u>		<u>11,946</u>
Total Liabilities	<u>\$ 84,161</u>	<u>\$ 27,489</u>	<u>\$ 111,650</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 3,504,358	\$ 1,771,073	\$ 5,275,431
Restricted for:			
Capital projects			
Special	137,386		137,386
Unrestricted	<u>87,698</u>	<u>49,279</u>	<u>136,977</u>
Total Net Assets	<u>\$ 3,729,442</u>	<u>\$ 1,820,352</u>	<u>\$ 5,549,794</u>

See Accompanying Notes to Financial Statements



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

**STATEMENT OF ACTIVITIES - GOVERNMENT-WIDE  
June 30, 2012**

<u>Functions/Programs</u>	<u>Expense</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contribution</u>
<b>Primary government:</b>				
Governmental activities				
Judicial	\$ 18,627	\$ 31,630	\$	\$ 13,003
General government	174,185	5,458	40,028	(128,699)
Public safety	143,436	12,210	83,069	(48,157)
Culture and recreation	94,120	2,707	20,337	(71,076)
Highways and streets	35,729			(35,729)
Depreciation	139,820			(139,820)
Interest on debt	1,959			(1,959)
Total governmental activities	<u>607,876</u>	<u>52,005</u>	<u>143,434</u>	<u>(412,437)</u>
Business-type activities:				
Waste Water	139,605	92,818		(46,787)
Bath House	303,987	346,785		42,798
Total business-type activities	<u>443,592</u>	<u>439,603</u>		<u>(3,989)</u>
Total primary government	<u>\$ 1,051,468</u>	<u>\$ 491,608</u>	<u>\$ 143,434</u>	<u>\$ (416,426)</u>
<b>Changes in Net Assets</b>				
Net (expense) revenue		<u>\$ (412,437)</u>	<u>\$ (3,989)</u>	<u>\$ (416,426)</u>
<b>General Revenues:</b>				
Taxes levied for general		165,396		165,396
Taxes levied for special uses		18,462		18,462
Unrestricted investment earning		618	542	1,160
Miscellaneous		11,698		11,698
Transfer - internal activities		57,751	(57,751)	-
Total general revenues/transfers		<u>253,925</u>	<u>(57,209)</u>	<u>196,716</u>
Change in net assets		(158,512)	(61,198)	(219,710)
Net assets, beginning of year		<u>3,887,954</u>	<u>1,881,550</u>	<u>5,769,504</u>
Net assets, end of year		<u>\$ 3,729,442</u>	<u>\$ 1,820,352</u>	<u>\$ 5,549,794</u>

See Accompanying Notes to Financial Statements

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2012**

<b>ASSETS</b>	<u>General Fund</u>	<u>Fire Fund (Special)</u>	<u>Road Fund (Special)</u>
Cash and cash equivalents	\$ 101,419	\$ 23,692	\$ 11,671
Receivables (net)	5,028		
Taxes receivable	21,955		417
Prepaid expense	3,900	6,933	
Due from others (Note 16)	2,508		
Total Assets	<u>\$ 134,810</u>	<u>\$ 30,625</u>	<u>\$ 12,088</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,860	\$ 123	\$
Accrued liabilities	42,098		
Long-term liabilities:			
Due within one year			
Due in more than one year			
Total Liabilities	<u>43,958</u>	<u>123</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	6,408	6,933	
Restricted for:			
Capital Project Fund			
Special Revenue Fund		23,569	12,088
Committed for:			
Economic Development			
Unassigned	84,444		
Total Fund Balances	<u>90,852</u>	<u>30,502</u>	<u>12,088</u>
Total Liabilities and Fund Balances	<u>\$ 134,810</u>	<u>\$ 30,625</u>	<u>\$ 12,088</u>

<u>Capital Project Fund</u>	<u>Nonmajor Government Funds</u>	<u>Totals</u>
\$ -	\$ 87,130	\$ 223,912
		5,028
	7,817	30,189
		10,833
		2,508
\$ <u>-</u>	\$ <u>94,947</u>	\$ <u>272,470</u>
\$	\$ 151	\$ 2,134
		42,098
<u>-</u>	<u>151</u>	<u>44,232</u>
		13,341
	85,482	121,139
	9,314	9,314
		84,444
<u>-</u>	<u>94,796</u>	<u>228,238</u>
\$ <u>-</u>	\$ <u>94,947</u>	\$ <u>272,470</u>

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
SHEET TO STATEMENT OF NET ASSETS  
Year Ended June 30, 2012

Total Fund Balance - Total Governmental Funds                      \$   228,238

Amounts reported for governmental activities  
in the Statement of Net Assets differs from  
the amounts reported in the Governmental Funds  
Balance Sheet because:

Capital assets used in governmental activities  
are not current financial resources and therefore  
are not reported in the governmental funds  
balance sheet

Cost of asset capitalized (total)    4,526,903  
Accumulated Depreciation    (985,770)

Long-term liabilities, including bonds and loans  
payable and compensated absences are not due  
and payable in the current period, and therefore,  
are not reported in the government fund  
balance sheet

Due within one year    (27,983)  
Due in more than one year    (11,946)

Net assets of governmental activities    \$ 3,729,442

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, 2012**

<b>REVENUES</b>	General Fund	Fire Fund (Special)	Road Fund (Special)
Taxes	\$ 165,396	\$	\$ 5,004
Grants	43,057	49,326	
Fines and fees	37,073		
Charges for services	15		
Miscellaneous	5,614	3,260	
Total Revenues	<u>251,155</u>	<u>52,586</u>	<u>5,004</u>
 <b>EXPENDITURES</b>			
Current:			
General government	192,626		
Public safety	85,193	32,924	
Culture and recreation	59,231		
Highways and streets	4,187		31,542
Capital outlay			
Debt service:			
Principal payment		12,725	
Interest		948	
Total Expenditures	<u>341,237</u>	<u>46,597</u>	<u>31,542</u>
Excess of Revenue Over (Expenditures)	(90,082)	5,989	(26,538)
 OTHER FINANCING SOURCES (USES)			
Transfers in	69,911		
Transfers out	<u>(14,087)</u>		
Total Other Financing (Uses) Sources	<u>55,824</u>		
Net Change in Fund Balances	(34,258)	5,989	(26,538)
FUND BALANCES, Beginning of Year	<u>125,110</u>	<u>24,513</u>	<u>38,626</u>
FUND BALANCES, End of Year	\$ <u>90,852</u>	\$ <u>30,502</u>	\$ <u>12,088</u>

Capital Project Fund	Nonmajor Government Funds	Totals
\$ -	\$ 13,458	\$ 183,858
	51,051	143,434
	14,917	51,990
		15
	<u>3,442</u>	<u>12,316</u>
<u>-</u>	<u>82,868</u>	<u>391,613</u>
		192,626
	25,529	143,646
	35,880	95,111
		35,729
	11,305	24,030
	<u>1,011</u>	<u>1,959</u>
<u>-</u>	<u>73,725</u>	<u>493,101</u>
-	9,143	(101,488)
288	2,550	72,749
	<u>(911)</u>	<u>(14,998)</u>
<u>288</u>	<u>1,639</u>	<u>57,751</u>
288	10,782	(43,737)
<u>(288)</u>	<u>84,014</u>	<u>271,975</u>
\$ <u>-</u>	\$ <u>94,796</u>	\$ <u>228,238</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, 2012

Net Changes in Fund Balance - Total Governmental Funds	\$ (43,737)
Amounts reported for governmental activities In the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balance because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalized threshold. This activity is reconciled as follows:	
Cost of assets capitalized (total)	-
Depreciation expense	(139,820)
Repayment of debt principal is an expenditure in the governmental funds, but repayment of debt decreases long-term liabilities in the statement of net assets	24,030
Net decrease in compensated absences	<u>1,015</u>
Change in net assets of governmental activities	\$ <u>(158,512)</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, 2012**

<b>REVENUES</b>	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Grants	\$ 58,000	\$ 58,000	\$ 40,028	\$ (17,972)
Fines and fees	15,000	15,000	29,613	14,613
Charges for services	71,000	71,000	5,738	(65,262)
Taxes	176,557	176,557	151,506	(25,051)
Miscellaneous	<u>40,756</u>	<u>40,756</u>	<u>30,885</u>	<u>(9,871)</u>
 Total Revenues	 <u>361,313</u>	 <u>361,313</u>	 <u>257,770</u>	 <u>(103,543)</u>
 <b>EXPENDITURES</b>				
General government	150,299	150,299	146,691	3,608
Public safety	84,400	84,400	81,445	2,955
Public works	45,310	45,310	37,504	7,806
Culture and recreation	59,239	59,239	56,632	2,607
Highways and streets	4,200	4,200	4,177	23
Other	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
 Total Expenditures	 <u>361,448</u>	 <u>361,448</u>	 <u>326,449</u>	 <u>34,999</u>
 Excess of revenue over (under) expenditures	 (135)	 (135)	 (68,679)	 (68,544)
 Other financing sources (uses)				
Transfers - in	300	300	69,911	69,611
Transfers - out	<u>(750)</u>	<u>(750)</u>	<u>(14,087)</u>	<u>(13,337)</u>
 Total other financing sources (uses)	 <u>(450)</u>	 <u>(450)</u>	 <u>55,824</u>	 <u>56,274</u>
 Revenues and other financing sources over (under) expenditures and other uses	 \$ <u>(585)</u>	 \$ <u>(585)</u>	 \$ <u>(12,855)</u>	 \$ <u>(12,270)</u>
 Budget-Cash appropriated from prior year for current year expenditures	 \$ <u>115,543</u>			
 Reconciliation to GAAP - Note 14				

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, 2012**

<b>REVENUES</b>	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Grants	\$ 51,800	\$ 51,800	\$ 49,326	\$ (2,474)
Fines				
Charges for services				
Taxes				
Miscellaneous	<u>350</u>	<u>350</u>	<u>3,260</u>	<u>2,910</u>
<b>Total Revenues</b>	<u>52,150</u>	<u>52,150</u>	<u>52,586</u>	<u>436</u>
<b>EXPENDITURES</b>				
General government				
Public safety	50,225	50,225	33,407	16,818
Culture and recreation				
Highways and streets				
Capital outlay				
Debt service	<u>          </u>	<u>          </u>	<u>13,673</u>	<u>(13,673)</u>
<b>Total expenditures</b>	<u>50,225</u>	<u>50,225</u>	<u>47,080</u>	<u>3,145</u>
Excess of Revenue over (under) Expenditures	1,925	1,925	5,506	3,581
Other financing sources				
Transfers - in	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>1,925</u>	\$ <u>1,925</u>	\$ 5,506	\$ <u>3,581</u>
<b>Reconciliation to GAAP Basis:</b>				
(Increase) Decrease In:				
Prepaid expense			606	
Accounts payable			<u>(123)</u>	
Net change in fund balance			\$ <u>5,989</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, 2012**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 5,004	\$ 5,004	\$ 5,004	\$ -
Grants	53,000	53,000		(53,000)
Donations				
Other receipts	_____	_____	_____	_____
 Total Revenues	 <u>58,004</u>	 <u>58,004</u>	 <u>5,004</u>	 <u>(53,000)</u>
<b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation				
Highway and streets	68,519	68,519	71,658	(3,139)
Capital outlay	_____	_____	_____	_____
 Total expenditures	 <u>68,519</u>	 <u>68,519</u>	 <u>71,658</u>	 <u>(3,139)</u>
Excess of Revenue over (under) Expenditures	(10,515)	(10,515)	(66,654)	(56,139)
Other financing sources (uses)				
Transfers - in				
Transfers - out	_____	_____	_____	_____
 Total other financing sources (uses)	 -	 _____	 _____	 _____
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>(10,515)</u>	\$ <u>(10,515)</u>	\$ (66,654)	\$ <u>(56,139)</u>
Budget - Cash and appropriations from prior year for current year expenditures	\$ <u>78,325</u>			
Reconciliation to GAAP Basis:				
Decrease in accounts payable			\$ <u>40,116</u>	<u>(26,538)</u>

See Accompanying Notes to Financial Statements

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

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

June 30, 2012

<b>ASSETS</b>	Business-Type Activities Enterprise Funds		
	Waste	Bath	Total
	<u>Water</u>	<u>House</u>	
Current Assets:			
Cash and cash equivalents	\$ 48,673	\$ 12,167	\$ 60,840
Receivables (net) Note 4	8,057		8,057
Prepaid expense	450	450	900
Inventories		6,971	6,971
Total current assets	<u>57,180</u>	<u>19,588</u>	<u>76,768</u>
Noncurrent Assets:			
Land	15,125		15,125
Capital assets, net of depreciation (Note 14)	<u>1,741,725</u>	<u>14,223</u>	<u>1,755,948</u>
Total noncurrent assets	<u>1,756,850</u>	<u>14,223</u>	<u>1,771,073</u>
Total Assets	\$ <u>1,814,030</u>	\$ <u>33,811</u>	\$ <u>1,847,841</u>
 <b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 1,498	\$ 3,417	\$ 4,915
Accrued liabilities	1,692	16,149	17,841
Due within one year (Note 6)	<u>3,266</u>	<u>1,467</u>	<u>4,733</u>
Total current liabilities	<u>6,456</u>	<u>21,033</u>	<u>27,489</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,756,850	14,223	1,771,073
Unrestricted	<u>50,724</u>	<u>(1,445)</u>	<u>49,279</u>
Total Net Assets	\$ <u>1,807,574</u>	\$ <u>12,778</u>	\$ <u>1,820,352</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, 2012**

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	<u>Waste Water</u>	<u>Bath House</u>	<u>Total</u>
Operating revenue:			
Waste Water Service	\$ 92,818	\$	\$ 92,818
Charges for services		272,835	272,835
Gift Shop sales		70,783	70,783
Miscellaneous		3,167	3,167
Total operating revenue	<u>92,818</u>	<u>346,785</u>	<u>439,603</u>
Operating expense:			
Salaries	40,497	107,273	147,770
Employee benefits	11,102	24,326	35,428
Contract services	180	86,937	87,117
Insurance	3,704	4,121	7,825
Professional fees	10,910	174	11,084
Supplies	1,178	40,650	41,828
Office expense	2,319	16,741	19,060
Telephone	760	3,181	3,941
Utilities	9,585	8,397	17,982
Depreciation	56,295	1,362	57,657
Other operating	3,075	10,825	13,900
Total operating expense	<u>139,605</u>	<u>303,987</u>	<u>443,592</u>
Operating income (loss)	(46,787)	42,798	(3,989)
Non-operating Revenue (Expense):			
Interest income	187	355	542
Total Non-operating Revenues (Expense)	<u>187</u>	<u>355</u>	<u>542</u>
Income before operating transfers	(46,600)	43,153	(3,447)
Transfers in	3,352	7,897	11,249
Transfers out	(3,000)	(66,000)	(69,000)
Net transfers	<u>352</u>	<u>(58,103)</u>	<u>(57,751)</u>
Change in Net Assets	(46,248)	(14,950)	(61,198)
Net Assets, Beginning Of Year	<u>1,853,822</u>	<u>27,728</u>	<u>1,881,550</u>
Net Assets, End of Year	\$ <u>1,807,574</u>	\$ <u>12,778</u>	\$ <u>1,820,352</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, 2012**

	Business-Type Activities Enterprise Funds		
	<u>Waste Water</u>	<u>Bath House</u>	<u>Total</u>
Cash Flows from operating activities:			
Receipts from customers and users	\$ 95,650	\$ 346,606	\$ 442,256
Payments to supplies and employees	(81,601)	(291,962)	(373,563)
Net cash provided (used) operating activities	<u>14,049</u>	<u>54,644</u>	<u>68,693</u>
Cash flows from noncapital financing activities:			
Transfers in (out)	<u>352</u>	(58,103)	<u>(57,751)</u>
Net cash provided (used) noncapital financing activities	<u>352</u>	<u>(58,103)</u>	<u>(57,751)</u>
Cash flows from investing activities:			
Interest on investments	<u>187</u>	<u>355</u>	<u>542</u>
Net increase (decrease) in cash and cash equivalents	14,588	(3,104)	11,484
Cash and cash equivalents, beginning of year	<u>34,085</u>	<u>15,271</u>	<u>49,356</u>
Cash and cash equivalents, end of year	\$ <u>48,673</u>	\$ <u>12,167</u>	\$ <u>60,840</u>

	Business-Type Activities		
	<u>Enterprise Funds</u>		
	<u>Waste</u>	<u>Bath</u>	<u>Total</u>
	<u>Water</u>	<u>House</u>	
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (46,787)	\$ 42,798	\$ (3,989)
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	56,295	1,362	57,657
(Increase) decrease in accounts receivable	2,832	1,979	4,811
(Increase) decrease in inventory		2,951	2,951
(Increase) decrease in prepaid expense	41	41	82
Increase (decrease) in accounts payable	1,023	3,347	4,370
Increase (decrease) in accrued liabilities	<u>645</u>	<u>2,166</u>	<u>2,811</u>
Net cash provided (used) by operating activities	\$ <u>14,049</u>	\$ <u>54,644</u>	\$ <u>68,693</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, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>2,508</u>
Total Assets	\$ <u>2,508</u>
<b>LIABILITIES</b>	
Due to others (Note 16)	<u>2,508</u>
Total Liabilities	\$ <u>2,508</u>

See Accompanying Notes to Financial Statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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, 2012**

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, 2012**

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 include operating-specific

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-wide  
(continued)

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 sustainability 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, 2012**

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, 2012**

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 funds 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, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Nonmajor Funds:

The following are nonmajor funds - see page 50 for descriptions.

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

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, 2012**

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 incurred for repairs and maintenance are expensed as

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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 1st. 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, 2012**

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, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Accumulated Unpaid Leave

Accumulated unpaid leave of \$7,887 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 expenses 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.

Government-wide and Propriety Fund Net Assets

Government-wide and propriety fund net assets are divided into three components:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net assets-consist of net assets that are restricted by the Village's creditors' (for example, through debt covenants) by the state enabling legislation, by grantors, and by other creditors

Unrestricted-all other net assets are reported in this category

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Governmental Fund Balances

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

**Nonspendable** - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because the Village code, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** - Amounts that can be used only for specific purposes determined by a formal action by the Village ordinance or resolution.

**Assigned** - Amounts that are designated by the Mayor for a particular purpose but are not spendable until budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Village council.

**Unassigned** - All amounts not included in other spendable classifications.

Restricted Resources

When an expense (expenditure) is incurred that can be paid using either restricted or unrestricted resources (net position), the Village's policy is to apply the expense (expenditure) toward restricted fund balance and then to other less-restrictive classifications - committed and then assigned fund balance before using unassigned fund balances.

Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements or transfer. Loans reported as interfund receivables and payable as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 1: Summary of Significant Accounting Policies (continued)

Interfund Transactions (continued)

incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government wide financial statements.

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, which 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

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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

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 8.

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 1st of each year to be paid in whole in two installments by November 10th and April 10th 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.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 5: Notes Payable**

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, 2010, 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>
2013	\$ 1,193	\$ 24,829
2014	<u>370</u>	<u>11,946</u>
	\$ <u>1,563</u>	\$ <u>36,775</u>

**Changes in Long-Term Debt:**

	<u>Balance</u> <u>7/01/11</u>	<u>Addition</u>	<u>Deduction</u>	<u>Balance</u> <u>6/30/12</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Accrued compensation	\$ 4,169	\$ 3,154	\$ 4,169	\$ 3,154	\$ 3,154
Tanker loan-NMFA	25,946		12,725	13,221	13,221
Vehicle loans-NMFA	<u>34,859</u>		<u>11,305</u>	<u>23,554</u>	<u>11,608</u>
Total Governmental	\$ <u>64,974</u>	\$ <u>3,154</u>	\$ <u>28,199</u>	\$ <u>39,929</u>	\$ <u>27,983</u>
<b>Business Type Activities:</b>					
Accrued compensation	\$ <u>6,663</u>	\$ <u>4,733</u>	\$ <u>6,663</u>	\$ <u>4,733</u>	\$ <u>4,733</u>
Total Enterprise	\$ <u>6,663</u>	\$ <u>4,733</u>	\$ <u>6,663</u>	\$ <u>4,733</u>	\$ <u>4,733</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 accrued compensated absences will be paid by the waste water and bath house departments.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 6: 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. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

Funding Policy: Plan members are required to contribute 7% of their gross salary. The Village is required to contribute 7% for regular employees and 10% 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, 2012, 2011, and 2010, were \$19,984, \$22,369, and \$22,094, respectively.

Note 7: Post-Employment Benefits

Plan Description: The Village contributes to the New Mexico Retirees Health Care Fund, a cost sharing multiple-employer defined benefit plan administered by the New Mexico Retirees Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retirees Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 7: Post-Employment Benefits (continued)

is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance and long term care policies.

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

The Retiree Health Care Authority issues a publicly available stand-alone financial report that includes financial statements and required supplemental information for the post-employment healthcare plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., NE Suite 104, Albuquerque, NM 87107.

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



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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

Note 7: Post-Employment Benefits (continued)

Retiree Health Care Act (Section 10-7c-15 NMSA 1978) is the statutory authority that established the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013, the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
2013	2.00%	1.00%

Also, employers joining the program after January 1, 1998, are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The Village's contribution to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$ \$4,729, \$5,080, and \$3,950, respectively, which equal the required contribution each year.

During 2012, the Village of Jemez Springs paid 100% of employee health benefits in the amount of \$26,300.

Note 8: 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 three separate financial institutions.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 8: Bank Surety (continued)**

<u>Financial Institution/ Account Name</u>	<u>Type</u>	<u>Bank Amount</u>	<u>Book Amount</u>
Wells Fargo General	Non interest	\$ <u>164,048</u>	\$ <u>147,605</u>
No collateralization necessary			
Jemez Valley Credit Union			
Sewer - savings	Interest Bearing	40,848	40,848
Sewer - checking	Interest Bearing	8,070	7,675
Fire/Rescue	Interest Bearing	9,927	9,927
EMS	Interest Bearing	308	308
Maintenance	Interest Bearing	10,039	10,039
Bath House - checking	Interest Bearing	10,517	20
Bath House - savings	Interest Bearing	11,647	11,647
Correction - savings	Interest Bearing	58,427	58,427
Correction - checking	Interest Bearing	110	110
		<u>149,893</u>	<u>139,001</u>
No collateralization necessary			
New Mexico Finance Authority			
Escrow Account - fire truck	Escrow	\$ 2	\$ 2
Escrow Account - police	Escrow	<u>2</u>	<u>2</u>
		<u>4</u>	<u>4</u>
No collateralization necessary			
Cash on hand/petty cash			<u>650</u>
Total cash and cash equivalents			\$ <u>287,260</u>

**Note 9: 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.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 10: Cash and Temporary Investments**

Bank balances of cash and temporary investments at June 30, 2012, consisted of the following:

<u>Name of Bank/ Account Name</u>	<u>Account No.</u>	<u>Type of Account</u>	<u>Balance</u>
<b>Jemez Valley FCU</b>			
Sewer	36820	Interest Bearing	\$ 48,918
Bath House	50331	Interest Bearing	22,164
Fire/Rescue/EMS	42710	Interest Bearing	308
Fire/Rescue	2080	Interest Bearing	9,927
Maintenance	51678	Interest Bearing	10,039
Correction	5099	Interest Bearing	<u>58,537</u>
Total Jemez Valley FCU			149,893
<b>NM Finance Authority</b>			
Escrow Account	JEMEZSPRINGS4	Escrow	2
Escrow Account	JEMEZSPRINGS5	Escrow	<u>2</u>
			4
<b>Wells Fargo</b>			
General Fund	6376959398	Non Interest	<u>164,048</u>
Total all banks			\$ <u>313,945</u>
Total all Banks			\$ 313,945
Cash on hand			<u>650</u>
Total cash			314,595
Less: Outstanding checks			(27,335)
Less: Agency Funds			(2,508)
Plus: Deposits in transit			<u>          </u>
Reconciled cash balance			\$ <u>284,752</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 Balance</u>
Insured	\$ 313,945
Uninsured and uncollateralized	-
Total deposits	\$ <u>313,945</u>

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 10: Cash and Temporary Investments (continued)**

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, 2012, \$0 of the Village's bank balance of \$313,945 was exposed to custodial credit risk.

**Note 11: 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, 2012, was as follows:

	Waste Water Fund	Bath House Fund	Total
Operating revenues	\$ <u>92,818</u>	\$ <u>346,785</u>	\$ <u>439,603</u>
Depreciation, depletion, and amortization expense	<u>56,295</u>	<u>1,362</u>	<u>57,657</u>
Operating income or (loss)	<u>(46,787)</u>	<u>42,798</u>	<u>(3,989)</u>
Net income or (loss)	<u>(46,600)</u>	<u>43,153</u>	<u>(3,447)</u>
Current capital: Transfers	<u>352</u>	<u>(58,103)</u>	<u>(57,751)</u>
Property, plant, and equipment: Additions	<u>-</u>	<u>-</u>	<u>-</u>
Net Working Capital	<u>50,724</u>	<u>(1,445)</u>	<u>49,279</u>
Total Assets	<u>1,814,030</u>	<u>33,811</u>	<u>1,847,841</u>
Net Assets	<u>1,807,574</u>	<u>12,778</u>	<u>1,820,352</u>

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 12: Joint Power Agreements**

The Village has one Joint Power Agreement as follows:

For Sewer Disconnection Powers:

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

**Note 13: Changes in Capital Assets**

**Governmental Activities**

	Balance 7/01/11	Additions	Deletions	Balance 6/30/12
<b>Non-Depreciable Assets:</b>				
Land and land improvements	\$ 413,584	\$ -	\$ -	\$ 413,584
<b>Other Capital Assets:</b>				
Infrastructure	2,281,228			2,281,228
Buildings	929,100			929,100
Furniture and equipment	693,230			693,230
Improvements	209,761			209,761
Less: Accumulated Depreciation	(845,950)	(139,820)		(985,770)
Total	\$ 3,267,369	\$ (139,820)	\$ -	\$ 3,127,549
<b>Depreciation Expense:</b>				
General	88,871			
LEFP	11,321			
Fire	37,093			
Park	2,448			
Library	87			
	\$ 139,820			

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 13: Changes in Capital Assets (continued)**

**Business Type Activities:**

	Balance 7/01/11	Additions	Deletions	Balance 6/30/12
		_____	_____	
<b>Non-Depreciable Assets:</b>				
Land and land improvements	\$ <u>15,125</u>	\$ _____	\$ _____	\$ <u>15,125</u>
<b>Other Capital Assets:</b>				
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>(553,268)</u>	<u>(57,657)</u>	_____	<u>(610,925)</u>
Total	\$ <u>1,813,605</u>	\$ <u>(57,657)</u>	\$ _____	\$ <u>1,755,948</u>
<b>Depreciation Expense:</b>				
Bath House	1,362			
Waste Water Dep.	56,295			
Total	\$ <u>57,657</u>			

**Note 14: Reconciliation to GAAP Basis-General Fund**

Cash revenues over (expenditures)	\$ (12,855)
<b>Increase (Decrease) In:</b>	
Receivable-grant	5,028
Taxes Receivable	(6,213)
Prepaid Expense	2,918
<b>(Increase) Decrease In:</b>	
Accounts Payable	(545)
Accrued Liabilities	<u>(22,591)</u>
Net change in fund balance	\$ <u>(34,258)</u>

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 15: Interfund Transactions and Balances**

Operating Transfers

	Transfers In	Transfers Out
General Fund	\$ <u>69,991</u>	\$ <u>13,799</u>
Total General Fund	<u>69,991</u>	<u>13,799</u>
Enterprise Fund		
Water Department	3,352	3,000
Bath House	<u>7,897</u>	66,000
Total Enterprise Fund	<u>11,249</u>	<u>69,000</u>
Total Non-major Funds	<u>2,550</u>	<u>991</u>
Grand Total	\$ <u>83,790</u>	\$ <u>83,790</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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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	\$ 2,508

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

**Note 16: Rent Revenue**

The Village receives rental income for the old fire station building. During 2011-2012, \$1,532 was received in rental income. On July 1, 2010, the lessor exercised the rental agreement option for an additional five years.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**Note 17: Memo of Understanding**

The Village has one Memo of Understanding as follows:  
To utilize the services of the Floodplain Administrator  
for the County in order to administrator and enforce  
floodplain management regulations of the Village

Participants	Village of Jemez Springs and County of Sandoval
Responsible party for operations	Joint
Description	The purpose of this MOU is to promote the public health safety, and general welfare and to minimize public and private loss due to flood conditions
Beginning and ending dates of agreement	May 5, 2011/open
Total estimated amount of project and portion applicable to agency	Based on cost of actual service
Amount agency contributed in current fiscal year	None
Audit responsibility	NA
Name of government agency where revenues and expenditures are reported	NA

**Note 18: Excess of Expenditures Over Appropriation in Individual  
Funds**

For the year ended June 30, 2012, the Village had five  
instances of excess of expenditures over appropriations  
in individual funds. See Schedule of Findings on page  
74 for details.

**Note 19: Deficient Fund Balance of Individual Fund**

The Performing Arts Fund was overspent during the year  
and has a negative fund balance of \$63 which will be  
covered by the general fund.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

Note 20: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 27, 2012, the date which the financial statements were available to be issued.

OFFICE OF THE DIRECTOR  
NEW YORK STATE ARCHIVES

DOCUMENTS ACQUISITION OF STATE  
1977, (1) 100

ACQUISITION OF DOCUMENTS (1) 100

STATE ARCHIVES  
100 NASSAU ST  
ALBANY, NY 12242

**SUPPLEMENTAL INFORMATION**

ALBANY, NY 12242

**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 DFA 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.

DWI Fund - To account for state and county grants specific to DWI.

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

**COMBINING BALANCE SHEET - NON MAJOR FUNDS  
SPECIAL REVENUE FUNDS AND DEBT SERVICE FUND  
June 30, 2012**

<b>ASSETS</b>	<u>Corrections</u>	<u>L.E.P.F.</u>	<u>Parks</u>	<u>E.M.S.</u>	<u>Perf. Arts</u>
Cash	\$ 70,921	\$ 4,984	\$ 796	\$ 534	\$ -
Accounts receivable	_____	_____	_____	_____	_____
<b>Total Assets</b>	<b>\$ <u>70,921</u></b>	<b>\$ <u>4,984</u></b>	<b>\$ <u>796</u></b>	<b>\$ <u>534</u></b>	<b>\$ <u>-</u></b>
 <b>LIABILITIES</b>					
Accounts payable	\$ _____	\$ _____	\$ 8	\$ _____	\$ <u>63</u>
<b>Total Liabilities</b>	<b>_____</b>	<b>_____</b>	<b>8</b>	<b>_____</b>	<b><u>63</u></b>
 <b>FUND EQUITIES</b>					
Fund Balance	<u>70,921</u>	<u>4,984</u>	<u>788</u>	<u>534</u>	<u>(63)</u>
<b>Total Fund Equity</b>	<b><u>70,921</u></b>	<b><u>4,984</u></b>	<b><u>788</u></b>	<b><u>534</u></b>	<b><u>(63)</u></b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ <u>70,921</u></b>	<b>\$ <u>4,984</u></b>	<b>\$ <u>796</u></b>	<b>\$ <u>534</u></b>	<b>\$ <u>-</u></b>

<u>DWI</u>	<u>Library Grants</u>	<u>Lodgers Tax</u>	<u>Special Funds Total</u>	<u>Debt Service Fund</u>	<u>Total Non Major Funds</u>
\$ 2,550	\$ 2,338 3,367	\$ 7,557 1,900	\$ 87,130 7,817	\$ -	\$ 87,130 7,817
\$ <u>2,550</u>	\$ <u>5,705</u>	\$ <u>9,457</u>	\$ <u>94,947</u>	\$ <u>-</u>	\$ <u>94,947</u>
\$ _____	\$ _____	\$ <u>80</u>	\$ <u>151</u>	\$ _____	\$ <u>151</u>
_____	-	<u>80</u>	<u>151</u>	_____	<u>151</u>
<u>2,550</u>	<u>5,705</u>	<u>9,377</u>	<u>94,796</u>	_____	<u>94,796</u>
<u>2,550</u>	<u>5,705</u>	<u>9,377</u>	<u>94,796</u>	_____	<u>94,796</u>
\$ <u>2,550</u>	\$ <u>5,705</u>	\$ <u>9,457</u>	\$ <u>94,947</u>	\$ <u>-</u>	\$ <u>94,947</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, 2012**

<b>REVENUES</b>	<u>Corrections</u>	<u>L.E.P.F.</u>	<u>Parks</u>	<u>E.M.S.</u>	<u>Perf. Arts</u>
Grants	\$	\$ 20,600	\$	\$	\$
Taxes					
Licenses and fees	12,210			-	2,707
Miscellaneous	<u>451</u>	_____	_____	_____	_____
 Total Revenues	 <u>12,661</u>	 <u>20,600</u>	 <u>-</u>	 <u>-</u>	 <u>2,707</u>
 <b>EXPENDITURES</b>					
Current:					
General government					
Public safety		9,714		5,701	
Culture and recreation			914		3,114
Highways and streets					
Capital outlay					
Debt Service	_____	<u>12,316</u>	_____	_____	_____
 Total Expenditures	 <u>-</u>	 <u>22,030</u>	 <u>914</u>	 <u>5,701</u>	 <u>3,114</u>
 Excess of Revenue over (under) Expenditures	 12,661	 (1,430)	 (914)	 (5,701)	 (407)
 Other financing sources (uses)					
Transfers - in					
Transfers - out	<u>(911)</u>	_____	_____	_____	_____
Total other financing sources (uses)	<u>(911)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Revenues and other financing sources over (under) expenditures and other uses	 11,750	 (1,430)	 (914)	 (5,701)	 (407)
 Fund balance - beginning of year	 <u>59,171</u>	 <u>6,414</u>	 <u>1,702</u>	 <u>6,235</u>	 <u>344</u>
 Fund balance - end of year	 \$ <u>70,921</u>	 \$ <u>4,984</u>	 \$ <u>788</u>	 \$ <u>534</u>	 \$ <u>(63)</u>

DWI	Library Grants	Lodgers Tax	Special Funds Total	Debt Service Fund	Total Non Major Funds
\$ 10,114	\$ 20,337	\$ 13,458	\$ 51,051	\$	\$ 51,051
			13,458		13,458
			14,917		14,917
	<u>2,991</u>		<u>3,442</u>		<u>3,442</u>
<u>10,114</u>	<u>23,328</u>	<u>13,458</u>	<u>82,868</u>	<u>-</u>	<u>82,868</u>
10,114			25,529		25,529
	18,177	13,675	35,880		35,880
			-		-
			-		-
			<u>12,316</u>		<u>12,316</u>
<u>10,114</u>	<u>18,177</u>	<u>13,675</u>	<u>73,725</u>	<u>-</u>	<u>73,725</u>
-	5,151	(217)	9,143		9,143
2,550			2,550		2,550
			(911)		(911)
<u>2,550</u>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>-</u>	<u>1,639</u>
2,550	5,151	(217)	10,782		10,782
	554	9,594	84,014		84,014
<u>-</u>	<u>554</u>	<u>9,594</u>	<u>84,014</u>	<u>-</u>	<u>84,014</u>
\$ <u>2,550</u>	\$ <u>5,705</u>	\$ <u>9,377</u>	\$ <u>94,796</u>	\$ <u>-</u>	\$ <u>94,796</u>

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

**CORRECTION FUND**

**For the Year Ended June 30, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Charges for services	\$ 4,500	\$ 4,500	\$ 12,210	\$ 7,710
Intergovernmental				
Taxes				
Miscellaneous	<u>          </u>	<u>          </u>	<u>      451</u>	<u>      451</u>
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>12,661</u>	<u>8,161</u>
 <b>EXPENDITURES</b>				
General government				
Public safety	300	300		300
Culture and recreation				
Health and welfare				
Capital outlay	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>300</u>	<u>300</u>	<u>      -</u>	<u>300</u>
Excess of Revenue over (under) Expenditures	4,200	4,200	12,661	8,461
Other financing sources (uses)				
Transfers - in				
Transfers - out	<u>          </u>	<u>          </u>	<u>      (911)</u>	<u>      (911)</u>
Total other financing sources (uses)	<u>      -</u>	<u>      -</u>	<u>      (911)</u>	<u>      (911)</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>4,200</u>	\$ <u>4,200</u>	\$ <u>11,750</u>	\$ <u>7,550</u>
Reconciliation to GAAP: No adjustment required				



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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
PARK AND RECREATION FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Charges for services	\$	\$	\$	\$
Grants				
Taxes	-	-		
Licenses and fees				
Miscellaneous	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>Total Revenues</b>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation	500	500	906	(406)
Capital outlay	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>Total expenditures</b>	<u>500</u>	<u>500</u>	<u>906</u>	<u>(406)</u>
Excess of Revenue over (under) Expenditures	(500)	(500)	(906)	(406)
Other financing sources (uses)				
Transfers - in				
Transfers - out	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>Total other financing     sources (uses)</b>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>(500)</u>	\$ <u>(500)</u>	\$ (906)	\$ <u>(406)</u>
Reconciliation to GAAP:				
(Increase) accounts payable			<u>(8)</u>	
Net change in fund balance			\$ <u>(914)</u>	
Budget - Cash appropriated from prior year for current year expenditures	\$ <u>1,702</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, 2012**

<b>REVENUES</b>	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Charges for services	\$	\$	\$	\$
Grants	5,928	5,928		(5,928)
Taxes				
Licenses and fees				
Miscellaneous				
Total Revenues	<u>5,928</u>	<u>5,928</u>	<u>-</u>	<u>(5,928)</u>
 <b>EXPENDITURES</b>				
General government				
Public safety	-	-	5,701	(5,701)
Culture and recreation				
Health and welfare				
Capital outlay	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>-</u>	<u>-</u>	<u>5,701</u>	<u>(5,701)</u>
Excess of Revenue over (under) Expenditures	5,928	5,928	(5,701)	(11,629)
Other financing sources (uses)				
Transfers - in				
Transfers - out	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>5,928</u>	\$ <u>5,928</u>	\$ <u>(5,701)</u>	\$ <u>(11,629)</u>
Budget - Cash appropriated from prior year for current year expenditures	\$ <u>6,235</u>			
Reconciliation to GAAP: No adjustment required				

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
LAW ENFORCEMENT PROTECTION FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Charges for services	\$	\$	\$	\$
Grants	20,600	20,600	20,600	-
Taxes				
Licenses and fees				
Loan proceeds				
Miscellaneous				
Total Revenues	<u>20,600</u>	<u>20,600</u>	<u>20,600</u>	<u>-</u>
 <b>EXPENDITURES</b>				
General government				
Public safety	24,000	24,000	9,714	14,286
Culture and recreation				
Debt service			12,316	(12,316)
Capital outlay	_____	_____	_____	_____
Total expenditures	<u>24,000</u>	<u>24,000</u>	<u>22,030</u>	<u>1,970</u>
Excess of Revenue over (under) Expenditures	(3,400)	(3,400)	(1,430)	1,970
 Other financing sources				
Transfers - in				
Transfers - out	_____	_____	_____	_____
Total other financing sources (uses)	<u>-</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>(3,400)</u>	\$ <u>(3,400)</u>	\$ <u>(1,430)</u>	\$ <u>1,970</u>
 Reconciliation to GAAP: No adjustment required				
 Budget - Cash appropriated from prior year for current year expenditures				
	\$ <u>6,414</u>			

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
LIBRARY GRANT FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
	\$	\$	\$	\$
Charges for services				
Grants	16,396	16,396	16,970	574
Taxes				
Licenses and fees				
Miscellaneous	<u>73,000</u>	<u>73,000</u>	<u>2,991</u>	(70,009)
<b>Total Revenues</b>	<u>89,396</u>	<u>89,396</u>	<u>19,961</u>	<u>(69,435)</u>
 <b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation	17,347	17,347	18,177	(830)
Health and welfare				
Capital outlay				
<b>Total expenditures</b>	<u>17,347</u>	<u>17,347</u>	<u>18,177</u>	<u>(830)</u>
 Excess of Revenue over (under) Expenditures	 72,049	 72,049	 1,784	 (70,265)
 Other financing sources (uses)				
Transfers - in				
Transfers - out	_____	_____	_____	_____
<b>Total other financing     sources (uses)</b>	_____	_____	_____	_____
 Revenues and other financing sources over (under) expenditures and other uses	 \$ <u>72,049</u>	 \$ <u>72,049</u>	 \$ 1,784	 \$ <u>(70,265)</u>
 <b>Reconciliation to GAAP:</b>				
Increase in accounts receivable			<u>3,367</u>	
Net change in fund balance			<u>\$ 5,151</u>	

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

**LODGERS TAX FUND**

**For the Year Ended June 30, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Charges for services	\$	\$	\$	\$
Grants				
Taxes	15,000	15,000	12,496	(2,504)
Licenses and fees				
Miscellaneous				
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>12,496</u>	<u>(2,504)</u>
 <b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation	14,300	14,300	13,595	705
Capital outlay				
Total expenditures	<u>14,300</u>	<u>14,300</u>	<u>13,595</u>	<u>705</u>
Excess of Revenue over (under) Expenditures	700	700	(1,099)	(1,799)
Other financing sources (uses)				
Transfers - in				
Transfers - out	<u>(300)</u>	<u>(300)</u>	<u>-</u>	<u>300</u>
Total other financing sources (uses)	<u>(300)</u>	<u>(300)</u>	<u>-</u>	<u>300</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>400</u>	\$ <u>400</u>	\$ (1,099)	\$ <u>(1,499)</u>
Reconciliation to GAAP:				
Increase in accounts receivable			962	
(Increase) in accounts payable			<u>(80)</u>	
Net change in fund balance			\$ <u>(217)</u>	

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
PERFORMING ARTS FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
	\$	\$	\$	\$
Taxes				
Grants				
Donations				
Other receipts	<u>5,000</u>	<u>5,000</u>	<u>2,707</u>	<u>(2,293)</u>
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>2,707</u>	<u>(2,293)</u>
 <b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation	5,000	5,000	3,051	1,949
Highway and streets				
Capital outlay	_____	_____	_____	_____
<b>Total expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>3,051</u>	<u>1,949</u>
Excess of Revenue over (under) Expenditures	-	-	(344)	(344)
Other financing sources (uses)				
Transfers - in				
Transfers - out	_____	_____	_____	_____
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ (344)	\$ <u>(344)</u>
Reconciliation to GAAP Basis:				
(Increase) in accounts payable			<u>(63)</u>	
Net change in fund balance			\$ <u>(407)</u>	
Budget - Cash appropriated from prior year for current year expenditures	\$ <u>344</u>			

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

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

**DWI FUND**

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$	\$	\$	\$
Grants	10,000	10,000	7,564	(2,436)
Donations				
Other receipts	_____	_____	_____	_____
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>7,564</u>	<u>(2,436)</u>
<b>EXPENDITURES</b>				
General government				
Public safety	10,000	10,000	10,114	(114)
Highway and streets				
Capital outlay	_____	_____	_____	_____
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>10,114</u>	<u>(114)</u>
Excess of Revenue over (under) Expenditures	-	-	(2,550)	(2,550)
Other financing sources (uses)				
Transfers - in			2,550	2,550
Transfers - out	_____	_____	_____	_____
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>2,550</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
<b>Reconciliation to GAAP Basis:</b>				
Increase in accounts receivable			<u>2,550</u>	
Net change in fund balance			\$ <u>2,550</u>	





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

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes	\$	\$	\$	\$
Miscellaneous	<u>25,553</u>	<u>25,553</u>	<u>-</u>	<u>(25,553)</u>
Total Revenues	<u>25,553</u>	<u>25,553</u>	<u>-</u>	<u>(25,553)</u>
<b>EXPENDITURES</b>				
Debt Service	<u>25,553</u>	<u>25,553</u>	<u>-</u>	<u>25,553</u>
Total expenditures	<u>25,553</u>	<u>25,553</u>	<u>-</u>	<u>25,553</u>
Excess of Revenue over (under) Expenditures	-	-	-	-
Other financing sources (uses)				
Transfers - in				
Transfers - out	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </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, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Grants	\$	\$	\$ -	\$
Appropriations				
Other	_____	_____	_____	_____
 Total Revenues	 _____ - _____	 _____ - _____	 _____ - _____	 _____ - _____
 <b>EXPENDITURES</b>				
General government				
Public safety				
Culture and recreation				
Highways and streets				
Capital outlay	_____	_____	_____	_____
 Total expenditures	 _____ - _____	 _____ - _____	 _____ - _____	 _____ - _____
 Excess of Revenue over (under) Expenditures				
 Other financing sources (uses)				
Transfers - in			288	288
Transfers - out	_____	_____	_____	_____
 Total other financing sources (uses)	 _____ - _____	 _____ - _____	 _____ 288	 _____ 288
 Revenues and other financing sources over (under) expenditures and other uses	 \$ _____ - _____	 \$ _____ - _____	 \$ _____ - _____	 \$ _____ - _____

Reconciliation to GAAP Basis:  
No adjustment required

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, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Charges for services	\$ 89,800	\$ 89,800	\$ 92,818	\$ 3,018
Miscellaneous	<u>1,200</u>	<u>1,200</u>	<u>187</u>	<u>(1,013)</u>
<b>Total Revenues</b>	<b><u>91,000</u></b>	<b><u>91,000</u></b>	<b><u>93,005</u></b>	<b><u>2,005</u></b>
 <b>EXPENDITURES</b>				
Operating expense	90,689	90,689	83,310	7,379
Debt service				
Capital outlay	_____	_____	_____	_____
<b>Total expenditures</b>	<b><u>90,689</u></b>	<b><u>90,689</u></b>	<b><u>83,310</u></b>	<b><u>7,379</u></b>
Excess of Revenue over (under) Expenditures	311	311	9,695	9,384
Other financing sources (uses)				
Transfers - in			3,352	3,352
Transfers - out			<u>(3,000)</u>	<u>(3,000)</u>
<b>Total other financing     sources (uses)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>352</u></b>	<b><u>352</u></b>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>311</u>	\$ <u>311</u>	\$ 10,047	\$ <u>9,736</u>
Reconciliation to GAAP				
Depreciation			(56,295)	
			\$ <u>(46,248)</u>	
Budget - Cash appropriated from prior year for current year expenditures	\$ <u>34,085</u>			

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

**BUDGETARY COMPARISON SCHEDULE  
ENTERPRISE FUND  
BATH HOUSE FUND  
For the Year Ended June 30, 2012**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Charges for services	\$ 297,600	\$ 297,600	\$ 272,835	\$ (24,765)
Sales - Gift Shop	99,500	99,500	70,783	(28,717)
Miscellaneous	_____	_____	3,522	3,522
<b>Total Revenues</b>	<b><u>397,100</u></b>	<b><u>397,100</u></b>	<b><u>347,140</u></b>	<b><u>(49,960)</u></b>
 <b>EXPENDITURES</b>				
Operating expense	392,466	392,466	302,625	89,841
Capital outlay	_____	_____	_____	_____
<b>Total expenditures</b>	<b><u>392,466</u></b>	<b><u>392,466</u></b>	<b><u>302,625</u></b>	<b><u>89,841</u></b>
Excess of Revenue over (under) Expenditures	4,634	4,634	44,515	39,881
Other financing sources (uses)				
Transfers - in			7,897	7,897
Transfers - out			<u>(66,000)</u>	<u>(66,000)</u>
Total other financing sources (uses)	_____	_____	<u>(58,103)</u>	<u>(58,103)</u>
Revenues and other financing sources over (under) expenditures and other uses	\$ <u>4,634</u>	\$ <u>4,634</u>	\$ (13,588)	\$ <u>(18,222)</u>
Reconciliation to GAAP Depreciation			<u>(1,362)</u>	<u>(1,362)</u>
			\$ <u>(14,950)</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, 2012

ASSETS	Balance <u>6/30/11</u>	Additions <u>                    </u>	Deletions <u>                    </u>	Balance <u>6/30/12</u>
Cash	\$ <u>1,239</u>	\$ <u>1,269</u>	\$ <u>          </u>	\$ <u>2,508</u>
Total assets	\$ <u>1,239</u>	\$ <u>1,269</u>	\$ <u>          </u>	\$ <u>2,508</u>
LIABILITIES				
Due to others	\$ <u>1,239</u>	\$ <u>          </u>	\$ <u>1,269</u>	\$ <u>2,508</u>
Total liabilities	\$ <u>1,239</u>	\$ <u>          </u>	\$ <u>1,269</u>	\$ <u>2,508</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**

Hector Balderas, State Auditor  
and  
Edmond Temple, 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 aggregate remaining fund information, the budgetary comparisons for the General Fund and the Major Special Revenue Funds, and the combining and individual funds and related budgetary comparison presented as supplemental information of the State of New Mexico Village of Jemez Springs (Village) as of and for the year ended June 30, 2012, and have issued my report thereon dated November 27, 2012. 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**

Management of the Village is responsible for establishing and maintaining effective 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 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 two instances 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 2001-1, 2011-1 and 2012-2.

I also noted certain other matters that are required to be reported pursuant to *Government Accounting Standards* paragraph 5.14 and 5.16 and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as finding 2012-1.

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, P.C.

November 27, 2012

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2012

**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

2011-2 Overpayment of vacation and sick leave benefits  
2011-3 Internal Control over Billing in Waste Water Department  
2011-4 Inappropriate Use of Funds for Unrelated Purpose

Prior Year Findings, Repeated/ Not Resolved

2001-1 Overspending of Funds and Budgets  
2011-1 Reconciliation of Total Cash and Investments to DFA Report

Current Year Findings

2012-1 Underpayment of RHCA benefits  
2012-2 Late filing of audit report

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF FINDINGS  
June 30, 2012

PRIOR YEAR FINDINGS - Not Resolved

2001-1 (Non-compliance) Overspending of Funds and Budgets

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

Road Fund (page 19)	\$ 3,139
Park and Recreation Fund (page 54)	406
EMS Fund (page 55)	5,701
Library Grant (page 57)	830
DWI Fund (page 60)	114

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 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

SCHEDULE OF FINDINGS  
June 30, 2012

PRIOR YEAR FINDINGS - Not Resolved

2011-1 (Non-compliance) Reconciliation of Total Cash and Investments to DFA Report

Condition: The cash and investment balances on the quarterly reports submitted to the DFA did not agree with the cash reconciliations from the bank statements and the accounting balance sheet.

Criteria: The reports submitted to DFA agree with the accounting records and all cash and investment accounts should be accurately disclosed.

Effect: Failure to be in balance and fully disclosed does not give an accurate reflection of cash and investment held by the Village.

Cause: There is a new Treasurer who was not fully trained and made aware of the significance of the reports agreeing with the accounting records.

Recommendation: The new Treasurer needs to make sure her beginning of the year balances are correct and every quarter reconcile to DFA report to the accounting records.

Response: The Treasurer now has a better grasp of the bookkeeping program and DFA reports and plans to set up accounting records to facilitate accuracy in reporting and eliminate errors.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

SCHEDULE OF FINDINGS  
June 30, 2012

Current Year Findings

2012-1 (Other) Underpayment of RHCA contributions

Condition: One pay period report was not included in the monthly RCHA report and remitted to RHCA.

Criteria: RHCA withholding and contributions should be timely and accurately remitted.

Effect: Individual employee benefits are under reported.

Cause: The month of March, 2012 was a 3 pay period month and only two pay periods were reported to RHCA.

Recommendation: Village needs to prepare and submit the RHCA contributions for the missing pay period.

Response: The Village will amend the March, 2012 RHCA report and submit to RHCA as soon as possible.

2012-2 (Non-compliance) Late filing of audit report

Condition: The audit report for the year ended June 30, 2012 was rejected and not considered to be received by the Office of State Auditor by December 1, 2012.

Criteria: By statute, Section 2.2.2.9 NMAC (State Auditor Rule), the deadline for submission of this report was December 1, 2012. Also, per this rule a finding is required to be written in the event of a late report.

Effect: The Village was not in compliance with this rule.

Cause: The report was filed with the OSA on November 30, 2012 but the auditor did not update the language on the independent auditor's report to the current requirement of SAS 119 and 120. Therefore, the report was rejected.

Recommendation: The auditor must ensure that the report is filed in a timely manner.

Response: Management concurs

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

**June 30, 2012**

The financial statements of the Village of Jemez Springs, New Mexico, for the year ended June 30, 2012, were prepared by Kathleen R. Lane, P.C.

**Exit Conference:**

An exit conference was held November 27, 2012.

**Representing the Village:**

Edmond Temple, Mayor  
Ona Trujillo, Treasurer

**Representing Kathleen R. Lane, P.C.:**

Kathleen R. Lane