

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

Annual Financial Report  
For the Year Ended June 30, 2016

## **INTRODUCTORY SECTION**

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Table of Contents  
June 30, 2016

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Table of contents	i
Official roster	iii
 <b>FINANCIAL SECTION</b>	
Independent auditors' report	1
Basic financial statements	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Governmental Fund Balance to the Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Special Revenue Fund - Fire Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Special Revenue Fund - Law Enforcement Fund	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Special Revenue Fund - Road Fund	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Assets and Liabilities – Agency Funds	19
Notes to the Financial Statements	20
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Proportionate Share of the Net Pension Liability of PERA Fund Division	
Municipal General Public Employees Retirement Association (PERA) Plan	48
Municipal Police Public Employees Retirement Association (PERA) Plan	49
Schedule of Contributions - Public Employees Retirement Association (PERA) Plan	
Municipal General Division	50
Municipal Police Division	51
Notes to Required Supplementary Information	52
 <b>SUPPLEMENTAL INFORMATION</b>	
Combining and Individual Fund Statements and Schedules:	

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Table of Contents  
June 30, 2016

Non-Major Governmental Fund Descriptions	53
Non-Major Governmental Funds:	
Combining Balance Sheet – Non-Major Governmental Funds	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	55
Combining Balance Sheet – Special Revenue Funds	56
Combining Balance Sheets – Debt Service Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Debt Service Funds	59
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual –	
Special Revenue Funds:	
Correction Fund	60
Recreation Fund	61
EMS Fund	62
Library Grants Fund	63
Lodgers' Tax Fund	64
Events Fund	65
DWI Fund	66
NM Clean & Beautiful Fund	67
Major Capital Funds:	
Municipal Improvement Fund	68
Proprietary Funds:	
Bath House Fund	69
Waste Water Fund	70
Schedule of Changes in Fiduciary Assets and Liabilities – Agency funds	71
 <b>OTHER SUPPLEMENTAL INFORMATION</b>	
Schedule of Fund Balances	72
Schedule of Depositories	73
Schedule of Pledged Collateral by Depository	74
Schedule of Joint Powers Agreements and Memorandums of Understanding	75
Schedule of Special, Deficiency, Specific and Capital Outlay Appropriations	76
Schedule of Vendor Information	77
 <b>COMPLIANCE SECTION</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78
Schedule of Findings and Responses	80
 <b>OTHER DISCLOSURES</b>	86

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Official Roster  
June 30, 2016

**Name**

**Title**

**Elected Officials**

Robert Wilson	Mayor
Pam Grider	Mayor Pro-Tem
David Ryan	Trustee
Manolito Sanchez	Trustee
Suzette Walker (through March 2016)	Trustee
Roger Sweet (as of March 2016)	Trustee

**Administrative Personnel**

Lupita de Herrera (through July 2016)	Village Clerk/Treasurer
Yvonne Dickey (as of October 2016)	Village Clerk/Treasurer

**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Timothy Keller  
New Mexico State Auditor  
and  
Mayor and Board of Trustees  
Village of Jemez Springs  
Jemez Springs, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Jemez Springs (Village), New Mexico, as of and for the year-ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's non-major governmental funds, and the budgetary comparisons for the major capital projects fund, proprietary funds, and all non-major funds presented as supplementary information as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

ing estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability and the schedule of contributions and notes to the Required Supplementary Information on pages 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

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



*Other Information*

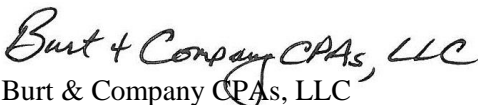
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparisons, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financials, the budgetary comparisons, and the schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparisons, and the other schedules required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplemental information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

  
Burt & Company CPAs, LLC

January 13, 2017

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Net Position  
June 30, 2016

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets and deferred outflows of resources:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 313,045	99,036	412,081
Receivables:			
Accounts receivable	570	6,253	6,823
Taxes receivable	46,778	-	46,778
Due from other funds	2,323	-	2,323
Due from other governments	5,205	-	5,205
Prepaid expenses	-	-	-
Inventories	-	6,118	6,118
Total current assets	<u>367,921</u>	<u>111,407</u>	<u>479,328</u>
Non-current assets:			
Capital assets	4,867,510	2,685,331	7,552,841
Less: Accumulated depreciation	<u>(1,364,498)</u>	<u>(844,024)</u>	<u>(2,208,522)</u>
Total non-current assets	<u>3,503,012</u>	<u>1,841,307</u>	<u>5,344,319</u>
Total assets	<u>3,870,933</u>	<u>1,952,714</u>	<u>5,823,647</u>
Deferred outflows of resources:			
Deferred outflows of resources due to pension plan	<u>26,011</u>	-	<u>26,011</u>
Total deferred outflows of resources	<u>26,011</u>	-	<u>26,011</u>
Total assets and deferred outflows of resources	<u>\$ 3,896,944</u>	<u>1,952,714</u>	<u>5,849,658</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Net Position (continued)  
June 30, 2016

	Govern- mental Activities	Business- Type Activities	Total
Liabilities, deferred inflows of resources and net position:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 4,303	-	4,303
Accrued payroll liabilities	3,545	2,378	5,923
Other accrued liabilities	-	6,809	6,809
Due to other funds	-	2,325	2,325
Due to other government	-	-	-
Current portion of compensated absences	4,063	6,496	10,559
Current portion of long-term debt	10,442	5,359	15,801
Total current liabilities	22,353	23,367	45,720
Non-current liabilities			
Compensated absences	1,016	1,625	2,641
Notes payable	22,321	120,113	142,434
Net pension liability	240,446	-	240,446
Total non-current liabilities	263,783	121,738	385,521
Total liabilities	286,136	145,105	431,241
Deferred inflows of resources:			
Deferred inflows of resources due to pension plan	16,256	-	16,256
Total deferred inflows of resources	16,256	-	16,256
Net position			
Net investment in capital assets	3,470,249	1,721,194	5,191,443
Restricted net position	182,703	-	182,703
Unrestricted net position	(58,400)	86,415	28,015
Total net position	3,594,552	1,807,609	5,402,161
Total liabilities, deferred inflows of resources and net position	\$ 3,896,944	1,952,714	5,849,658

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Activities  
For the Year Ended June 30, 2016

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Government Activities	Business-Type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 310,770	-	24,366	100,180	(186,224)	-	(186,224)
Public safety	142,063	-	-	-	(142,063)	-	(142,063)
Public works	66,831	-	-	-	(66,831)	-	(66,831)
Culture and recreation	115,680	-	-	-	(115,680)	-	(115,680)
Interest expense	1,919	-	-	-	(1,919)	(3,351)	(5,270)
Total governmental activities	\$ 637,263	-	24,366	100,180	(512,717)	(3,351)	(516,068)
<b>Business-type activities</b>							
Utilities:							
Waste water	\$ 143,159	149,887	-	-	-	6,728	6,728
Bath house	254,207	302,602	-	-	-	48,395	48,395
Total business-type activities	\$ 397,366	452,489	-	-	-	55,123	55,123
Total primary government					(512,717)	51,772	(460,945)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purposes					49,077	-	49,077
Gross receipts taxes					162,904	-	162,904
Other taxes and fees					29,914	-	29,914
Licenses and permits					3,614	-	3,614
Fines, forfeitures, and penalties					4,823	-	4,823
Interest income					656	187	843
Miscellaneous income					225,863	-	225,863
Gain/(loss) on disposal of capital assets					-	-	-
Transfers					-	-	-
Total general revenues and transfers					476,851	187	477,038
Changes in net position					(35,866)	51,959	16,093
Beginning net position					3,630,418	1,755,650	5,386,068
Net position, end of year					\$ 3,594,552	1,807,609	5,402,161

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Balance Sheet – Governmental Funds  
June 30, 2016

	Major Funds						Total Funds
	General Fund	Special Revenue			Capital Project	Total Non-Major Funds	
		Fire Fund	Law Enforcement Fund	Road Fund	Municipal Improvements		
Assets and deferred outflows of resources:							
Assets:							
Current assets:							
Cash and cash equivalents	\$ 126,039	32,859	6,879	49,437	84,985	12,846	313,045
Receivables:							
Accounts receivable	570	-	-	-	-	-	570
Taxes receivable	46,778	-	-	-	-	-	46,778
Due from other funds	4,976	-	-	-	-	-	4,976
Due from other governments	2,552	-	-	-	-	2,653	5,205
Prepaid expenses	-	-	-	-	-	-	-
Total current assets	<u>180,915</u>	<u>32,859</u>	<u>6,879</u>	<u>49,437</u>	<u>84,985</u>	<u>15,499</u>	<u>370,574</u>
Deferred outflows of resources:							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>180,915</u>	<u>32,859</u>	<u>6,879</u>	<u>49,437</u>	<u>84,985</u>	<u>15,499</u>	<u>370,574</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ -	-	-	-	4,303	-	4,303
Accrued payroll liabilities	3,545	-	-	-	-	-	3,545
Due to other funds	-	-	-	-	-	2,653	2,653
Due to other governments	-	-	-	-	-	-	-
Total liabilities	<u>3,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,303</u>	<u>2,653</u>	<u>10,501</u>
Deferred inflows of resources:							
"Unavailable" revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	3,545	-	-	-	4,303	2,653	10,501
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	32,859	6,879	49,437	80,682	12,846	182,703
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	<u>177,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,370</u>
Total fund balances	<u>177,370</u>	<u>32,859</u>	<u>6,879</u>	<u>49,437</u>	<u>80,682</u>	<u>12,846</u>	<u>360,073</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>180,915</u>	<u>32,859</u>	<u>6,879</u>	<u>49,437</u>	<u>84,985</u>	<u>15,499</u>	<u>370,574</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Reconciliation of the Governmental Fund Balance to the Statement of Net Position  
June 30, 2016

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

Total fund balance - Governmental funds	\$	360,073
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		3,503,012
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:		
Deferred outflows of resources due to pension plan		26,011
Deferred inflows of resources due to pension plan		(16,256)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Net pension liability		(240,446)
Current compensated absences		(4,063)
Noncurrent compensated absences		(1,016)
Current notes payable		(10,442)
Noncurrent notes payable		(22,321)
		<u>(278,288)</u>
Net position of governmental activities	\$	<u>3,594,552</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

	Major Funds						Total Non-Major Funds	Total Funds
	General Fund	Special Revenue			Capital Project Municipal Improvements			
		Fire Fund	Law Enforcement Fund	Road Fund				
<b>Revenues:</b>								
Taxes								
Property taxes	\$ 52,334	-	-	-	-	-	52,334	
Gross receipts	162,904	-	-	-	-	-	162,904	
Other	14,173	-	-	-	-	15,741	29,914	
Licenses and permits	3,614	-	-	-	-	-	3,614	
Charges for services	24,366	-	-	-	-	-	24,366	
Fines and forfeitures	3,583	-	-	-	-	1,240	4,823	
Intergovernmental revenue:								
State grants	97,527	-	-	-	-	-	97,527	
Local grants	-	-	-	-	-	2,653	2,653	
Interest income	656	-	-	-	-	-	656	
Miscellaneous income	29,911	149,309	20,600	-	-	26,043	225,863	
Total revenues	389,068	149,309	20,600	-	-	45,677	604,654	
<b>Expenditures:</b>								
Current:								
General government	191,446	-	-	-	-	20,056	211,502	
Public safety	93,897	37,661	8,183	-	-	2,322	142,063	
Public works	42,513	-	-	-	24,318	-	66,831	
Culture and recreation	91,675	-	-	-	-	24,005	115,680	
Capital outlay	-	-	-	-	-	-	-	
Debt service:								
Principal	-	-	-	-	-	9,997	9,997	
Interest	-	-	-	-	-	1,919	1,919	
Total expenditures	419,531	37,661	8,183	-	24,318	58,299	547,992	
Excess (deficiency) of revenues over (under) expenditures	(30,463)	111,648	12,417	-	(24,318)	(12,622)	56,662	
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	100,667	12,422	113,089	
Transfers out	(1,173)	(100,000)	(11,916)	-	-	-	(113,089)	
Total other financing sources (uses)	(1,173)	(100,000)	(11,916)	-	100,667	12,422	-	
Net change in fund balance	(31,636)	11,648	501	-	76,349	(200)	56,662	
Beginning fund balance	209,006	21,211	6,378	49,437	4,333	13,046	303,411	
Ending fund balance	\$ 177,370	32,859	6,879	49,437	80,682	12,846	360,073	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
In Fund Balances of the Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2016

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

Total net change in fund balances - governmental funds	\$	56,662
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense:		
Capital expenditures recorded as capital outlay or other expenses		-
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as an expenditure in governmental funds		
		(126,167)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(3,257)
The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Increase/decrease in noncurrent and current compensated absences in deferred inflows		1,358
Principal payments on long-term debt		9,997
Expenditures in the statement of activities do not provide current financial resources are not reported as expenditures in the funds		
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:		
Employer contributions subsequent to the measurement date		24,975
Pension expense		<u>566</u>
Change in net position of governmental activities	\$	<u><u>(35,866)</u></u>

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



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Favorable
	<u>Original</u>	<u>Final</u>		(Unfavorable)
Revenues:				
Taxes				
Property	\$ 50,000	50,000	52,334	2,334
Gross receipts	143,000	176,800	164,516	(12,284)
Other	10,000	10,000	14,173	4,173
Licenses and permits	4,000	4,000	3,614	(386)
Charges for services	1,575	1,575	24,366	22,791
Fines and forfeitures	10,000	10,000	3,583	(6,417)
Intergovernmental revenue				
State grants	90,000	90,000	97,527	7,527
Interest income	250	250	656	406
Miscellaneous income	31,375	31,375	30,392	(983)
Total revenues	<u>340,200</u>	<u>374,000</u>	<u>391,161</u>	<u>17,161</u>
Expenditures:				
Current:				
General government	165,756	203,630	195,194	8,436
Public safety	95,455	95,455	93,897	1,558
Public works	43,213	43,213	42,513	700
Culture and recreation	83,702	83,702	91,675	(7,973)
Total expenditures	<u>388,126</u>	<u>426,000</u>	<u>423,279</u>	<u>2,721</u>
Excess (deficiency) of revenues over (under) expenditures	(47,926)	(52,000)	(32,118)	14,440
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(40,390)	(40,390)	(1,173)	39,217
Total other financing sources (uses)	<u>(40,390)</u>	<u>(40,390)</u>	<u>(1,173)</u>	<u>39,217</u>
Excess (deficiency) of revenue over expenditures & other financing sources (uses)	(88,316)	(92,390)	(33,291)	53,657
Budgeted cash carryover	<u>88,316</u>	<u>54,516</u>		
Net change in fund balance	\$ <u>-</u>	<u>(37,874)</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			(33,291)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(2,093)	
Adjustments to expenditures for accrued wages and expenditures			<u>3,748</u>	
Net change in fund balance (GAAP basis)			\$ <u>(31,636)</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Fire Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Favorable
	<u>Original</u>	<u>Final</u>		(Unfavorable)
Revenues:				
Intergovernmental revenue				
State grants	\$ 49,309	49,309	49,309	-
Miscellaneous income	-	<u>100,000</u>	<u>100,000</u>	-
Total revenues	<u>49,309</u>	<u>149,309</u>	<u>149,309</u>	-
Expenditures:				
Current:				
Public safety	63,000	63,000	37,661	25,339
Capital outlay	-	-	-	-
Total expenditures	<u>63,000</u>	<u>63,000</u>	<u>37,661</u>	<u>25,339</u>
Excess (deficiency) of revenues over (under) expenditures	(13,691)	86,309	111,648	25,339
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	<u>(100,000)</u>	<u>(100,000)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	(13,691)	(13,691)	<u>11,648</u>	<u>25,339</u>
Budgeted cash carryover	-	-		
Net change in fund balance	\$ <u>(13,691)</u>	<u>(13,691)</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			11,648	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP basis)			\$ <u>11,648</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Law Enforcement Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>	
	<u>Original</u>	<u>Final</u>			
Revenues:					
Intergovernmental revenue					
State grants	\$	<u>20,600</u>	<u>20,600</u>	<u>20,600</u>	<u>-</u>
Total revenues		<u>20,600</u>	<u>20,600</u>	<u>20,600</u>	<u>-</u>
Expenditures:					
Current:					
Public safety		<u>15,062</u>	<u>15,062</u>	<u>8,183</u>	<u>6,879</u>
Total expenditures		<u>15,062</u>	<u>15,062</u>	<u>8,183</u>	<u>6,879</u>
Excess (deficiency) of revenues over (under) expenditures		5,538	5,538	12,417	6,879
Other financing sources (uses):					
Transfers in		-	-	-	-
Transfers out		<u>(11,916)</u>	<u>(11,916)</u>	<u>(11,916)</u>	<u>-</u>
Total other financing sources (uses)		<u>(11,916)</u>	<u>(11,916)</u>	<u>(11,916)</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures and other financing sources (uses)		(6,378)	(6,378)	<u>501</u>	<u>6,879</u>
Budgeted cash carryover		<u>6,378</u>	<u>6,378</u>		
Net change in fund balance	\$	<u>-</u>	<u>-</u>		
Reconciliation from budget/actual to GAAP					
Net change in fund balance (Non-GAAP budgetary basis)			501		
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-		
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>		
Net change in fund balance (GAAP basis)			\$	<u>501</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Road Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Other	\$ -	-	-	-
Intergovernmental revenue	-	-	-	-
State grants	35,000	35,000	-	(35,000)
Miscellaneous income	-	-	-	-
Total revenues	35,000	35,000	-	(35,000)
Expenditures:				
Current:				
Public works	100,000	100,000	-	100,000
Total expenditures	100,000	100,000	-	100,000
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(65,000)	-	65,000
Other financing sources (uses):				
Transfers in	20,390	20,390	-	(20,390)
Transfers out	-	-	-	-
Total other financing sources (uses)	20,390	20,390	-	(20,390)
Excess (deficiency) of revenue over expenditures and other financing sources (uses)	(44,610)	(44,610)	-	44,610
Budgeted cash carryover	-	-		
Net change in fund balance	\$ (44,610)	(44,610)		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			-	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP basis)			-	\$ -

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Net Position  
Proprietary Funds  
June 30, 2016

	Business-Type Activities		
	Enterprise Funds		Total Funds
	Waste Water Fund	Bath House Fund	
Assets and deferred outflows of resources:			
Assets			
Current assets:			
Cash and cash equivalents	\$ 58,570	40,466	99,036
Receivables			
Accounts receivable	5,717	536	6,253
Inventories	-	6,118	6,118
Total current assets	64,287	47,120	111,407
Non-current assets			
Capital assets	2,639,805	45,526	2,685,331
Less: Accumulated depreciation	(807,264)	(36,760)	(844,024)
Total non-current assets	1,832,541	8,766	1,841,307
Total assets	1,896,828	55,886	1,952,714
Deferred outflows of resources:			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 1,896,828	55,886	1,952,714

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Net Position (continued)  
Proprietary Funds  
June 30, 2016

	Business-Type Activities		
	Enterprise Funds		Total Funds
	Waste Water Fund	Bath House Fund	
Liabilities, deferred inflows of resources and net position			
Liabilities:			
Current liabilities:			
Accounts payable	\$ -	-	-
Accrued payroll liabilities	737	1,641	2,378
Other accrued liabilities	506	6,303	6,809
Due to other funds	2,325	-	2,325
Current portion of compensated absences	5,120	1,376	6,496
Current portion of long-term debt	5,359	-	5,359
Total current liabilities	<u>14,047</u>	<u>9,320</u>	<u>23,367</u>
Non-current liabilities			
Compensated absences	1,280	345	1,625
Notes payable	120,113	-	120,113
Total non-current liabilities	<u>121,393</u>	<u>345</u>	<u>121,738</u>
Total liabilities	<u>135,440</u>	<u>9,665</u>	<u>145,105</u>
Deferred inflows of resources:			
Deferred revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	1,707,069	8,766	1,715,835
Unrestricted net position	54,319	37,455	91,774
Total net position	<u>1,761,388</u>	<u>46,221</u>	<u>1,807,609</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 1,896,828</u>	<u>55,886</u>	<u>1,952,714</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Revenues, Expenditures and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2016

	<u>Business-Type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Waste Water Fund</u>	<u>Bath House Fund</u>	<u>Total Funds</u>
Operating revenues:			
Charges for services:			
Waste water	\$ 108,154	-	108,154
Bath house services	-	302,602	302,602
Miscellaneous	41,733	-	41,733
Total operating revenues	<u>149,887</u>	<u>302,602</u>	<u>452,489</u>
Operating expenses:			
Personnel services	54,346	88,901	143,247
Operating expenses	43,504	163,941	207,445
Depreciation and amortization	45,309	1,365	46,674
Total operating expenses	<u>143,159</u>	<u>254,207</u>	<u>397,366</u>
Operating income (loss)	6,728	48,395	55,123
Non-operating revenues (expenses):			
Grant revenues	-	-	-
Interest income	119	68	187
Interest expense	(3,351)	-	(3,351)
Total non-operating revenues (expenses)	<u>(3,232)</u>	<u>68</u>	<u>(3,164)</u>
Income (loss) before transfers	3,496	48,463	51,959
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	3,496	48,463	51,959
Net position, beginning of year	<u>1,757,892</u>	<u>(2,242)</u>	<u>1,755,650</u>
Net position, end of year	\$ <u><u>1,761,388</u></u>	<u><u>46,221</u></u>	<u><u>1,807,609</u></u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2016

	Business-Type Activities		
	Enterprise Funds		
	Waste	Bath House	Total Funds
	Water Fund	Fund	
Cash flows from operating activities:			
Receipts from customers and users	\$ 150,411	302,066	452,477
Payments to suppliers and employees	(94,807)	(277,461)	(372,268)
Net cash provided (used) by operating activities	55,604	24,605	80,209
Cash flows from noncapital financing activities:			
Transfers from other funds	-	-	-
Intergovernmental receipts	-	-	-
Net cash provided (used) for noncapital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(41,705)	-	(41,705)
Principal paid on long-term debt	(5,203)	-	(5,203)
Interest paid on long-term debt	(3,351)	-	(3,351)
Net cash provided (used) for capital and related financing activities	(50,259)	-	(50,259)
Cash flows from investing activities:			
Interest and dividends	119	68	187
Net cash provided (used) for investing activities	119	68	187
Net increase (decrease) in cash and cash equivalents	5,464	24,673	30,137
Cash and cash equivalents - Beginning of year	53,106	15,793	68,899
Cash and cash equivalents - End of year	\$ 58,570	40,466	99,036
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 6,728	48,395	55,123
Adjustments			
Depreciation and amortization	45,309	1,365	46,674
Bad debts expense	6,410	-	6,410
Changes in assets and liabilities:			
Receivables	524	(536)	(12)
Inventories	-	(1,071)	(1,071)
Accounts payable	-	(3,081)	(3,081)
Accrued expenses and other liabilities	(3,533)	(11,799)	(15,332)
Due to other funds	(1,067)	(7,838)	(8,905)
Compensated absences	1,233	(830)	403
Net cash provided by operating activities	\$ 55,604	24,605	80,209

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



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2016

Assets:		
Cash	\$	<u>75</u>
Total assets	\$	<u>75</u>
Liabilities:		
Accounts payable	\$	-
Held for others		<u>75</u>
Total Liabilities	\$	<u>75</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

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 and recreation, public improvements, planning and zoning, sewer services, and general administrative services.

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village's most significant accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The first criterion 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. 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, the Village has no component units and is not a component unit of another governmental agency.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting/Measurement Focus

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental 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.

Government-Wide Financial Statements

The Village's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Village accompanied by a total column. Fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Village include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting/Measurement Focus (continued)

The Village reports the general fund as a major governmental fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

In addition, the Village reports the following other major funds:

Special Revenue Fund – The *Fire Fund* is used to account for the operation of the Village's Volunteer Fire Department. Financing is provided by a state allotment from the state fire Marshall Authority 59-53-1.

Special Revenue Fund – The *Law Enforcement Protection Fund (LEPF)* accounts 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.

Special Revenue Fund – The *Road Fund* is used 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 Project Fund – The *Municipal Improvement Fund* is used to track revenues and expenses related to the expansion of the Village's municipal complex.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The Village's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Village, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting/Measurement Focus (continued)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Under the terms of grant agreements, the Village funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. The Village presents two proprietary funds, *Waste Water Fund* and *Bath House Fund*. Both funds are considered major funds to the Village.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues, such as charges for services, in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues, such as subsidies/grants and investment earnings, are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The Village's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above. The Village's primary Agency Fund is the *Motor Vehicle Fund* used to account for activities related to the Village's motor vehicle division office.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity

Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Village pools idle cash from its governmental funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all governmental fund cash is pooled for investment purposes and each fund has "equity" in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows, except for certificates of deposit or other investments that have original maturities of more than 90 days.

Receivables and Payables

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Accounts receivable consist primarily of receivables from current and delinquent billings for sewer usage, maintained on computerized records as well as receivables related to reimbursable grants. Management considers not all receivables to be collectible at this time. As a result, an allowance for doubtful accounts has been established at this time.

Inventories and Prepaid Items

Inventories in governmental consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method. Proprietary fund inventories are comprised of items held for sale in the Bath House are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when consumed rather than when purchased. A manual inventory count is conducted monthly on the Bath House inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items primarily consist of payments made for insurance policies that are effective in part for future periods.

STATE OF NEW MEXICO  
 VILLAGE OF JEMEZ SPRINGS  
 Notes to Financial Statements  
 June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The Village has a collection of library books which have not been capitalized or depreciated as part of capital assets.

Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information technology equipment including software is being capitalized and included in machinery and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is adjusted for all deletions.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the Village during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Land	Perpetuity
Construction in progress	Perpetuity
Buildings	20 - 40
Building and land improvements	10 - 39
Furniture, fixtures & equipment	5 - 10
Vehicles	5 - 10
Infrastructure	40 - 50

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity (continued)

Analysis of Impairment

Management reviews long-lived assets and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management's opinion, there is no impairment of such Village assets at June 30, 2016.

Deferred Outflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Village has one type of item that qualifies for reporting in this category. Accordingly, the item, employer contributions subsequent to measurement date and change in assumptions, are reported on the Statement of Net Position. The Village has recorded \$15,152 related to employer contributions subsequent to measurement date. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized.

If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

The Village has two types of items which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue – property taxes and unavailable revenue - grants, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Village has recorded \$0 related to property taxes and \$0 related to grants that are considered “unavailable”.

In addition, the Village has two types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity (continued)

Deferred Inflows of Resources (continued)

in assumptions, are reported on the Statement of Net Position. The Village has recorded \$725 related to change in assumptions and \$4,672 related to the net difference in investment experience. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Full-time permanent employees are granted vacation benefits in varying amounts to specified maximums depending on their tenure with the Village. Accumulated unused vacation may be carried from one calendar year to another, however the amount of annual leave carry over cannot exceed specified threshold ranging from 160 to 320 hours depending on tenure of service. Accumulated unused vacation is payable upon retirement or termination from employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is not reported in the governmental fund balance sheet unless it was actually due and payable at year end for payments due to retired or terminated employees.

The Village allows full-time employees to accumulate unused sick leave. Accumulated unused sick leave is not paid upon termination from employment or retirement. Sick leave is only paid upon illness while in the employment of the Village. Accordingly, no provision for accumulated sick leave has been made in the accompanying financial statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of fund net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity (continued)

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

*Governmental Fund Financial Statements.* In accordance with GASBS No. 54, the Village classifies fund balances in the governmental funds as follows:

*Nonspendable Fund Balance* includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal/contractual requirements. Examples are Prepaid Expenses and Inventory.

*Spendable Fund Balance* includes Restricted, Committed, Assigned, and Unassigned designations:

*Restricted* includes fund balance amounts that are limited for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* includes fund balance amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (Board of Trustees). These commitments can only be overturned by a like action.

*Assigned* includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Trustees, Mayor, or Village Clerk/Treasurer for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the Board of Trustees at any public meeting.

*Unassigned* includes residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

See the Schedule of Fund Balances on page 72 for additional information about fund balances.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity (continued)

Fund Balance (continued)

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the Village's policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the Village's policy to use committed resources first, then assigned, and then unassigned as needed.

The Village does not have a formal minimum fund balance requirement.

Net Position

*Government-wide and Proprietary Fund Financial Statements.* The Village classifies net position in the government-wide and proprietary fund financial statements as follows:

*Net Investment in Capital Assets* includes the Village's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The Village typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Village Trustees have the authority to revisit or alter this designation.

D. Inter-Fund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers.

Loans are reported as interfund receivables and payables 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 incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

D. Inter-Fund Transactions (continued)

Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” In governmental fund financial statements, advances between funds are offset by an amount reported as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

E. Pensions

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

F. Property Taxes

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.

The property taxes receivable are an aggregate of uncollected amounts assessed for the current fiscal year, as well as delinquent balances carried forward from the nine preceding fiscal years. While some of the delinquent outstanding balances will eventually be eliminated through corrections, litigation, and other property tax administrative procedures, the majority of the balances will ultimately be realized through delinquent payment or tax sales. The aggregate amount of this ultimate realization is generally difficult to ascertain at any point in time. Thus, taxes not collected within sixty days after year end are carried in the deferred inflow of resources section of the balance sheet as “unavailable revenue” on the fund basis financial statements.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

1. Summary of Significant Accounting Policies (continued)

G. Income Taxes

As a local government entity, the Village is not subject to federal or state income taxes. The Village is generally no longer subject to examination by federal and state taxing authorities for years prior to 2013. For the year ended June 30, 2016, no interest or penalties were recorded or included in the financial statements.

H. Estimates

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

2. Stewardship, Compliance, and Accountability

The Village adopts budgets for each individual fund (governmental and proprietary). 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 a resolution.
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.

During the course of the fiscal year, the Village prepares monthly budget reports. Under New Mexico State law, each year's budget appropriation legally lapses at year-end.

*Budgetary Compliance* – Budgetary control is required to be maintained at the individual fund level.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

2. Stewardship, Compliance, and Accountability (continued)

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

*Budget Amendments* – Budget increases and decreases can only be accomplished by Board of Trustee resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

*Budgetary Basis* – State law prescribes that the Village's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

The accompanying Statements of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

3. Cash and Cash Equivalents

The Village's cash balances consist of demand deposits and interest bearing savings accounts. The majority of Village's cash and investments in the governmental funds are pooled. All interest income is accounted for in the related funds. The Village does not have a deposit policy. The Village's cash and cash equivalents are listed on pages 73 of this report.

The following is a summary of the Village's cash and cash equivalents balances by fund type as of June 30, 2016:

<u>Fund Type</u>	<u>Amount</u>
Cash and equivalents	
Governmental funds	\$ 313,045
Business-type activities	99,036
Fiduciary funds	<u>75</u>
Total cash and cash equivalents	<u>\$ 412,156</u>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

3. Cash and Cash Equivalents (continued)

*Custodial Credit Risk Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the Village funds may not be returned. The Village does not have a deposit policy for custodial risk.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of uninsured balances on deposit with anyone institution must be collateralized, with higher requirements up to 100% for financially troubled institutions.

Based on the above, the Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% of the public money in each account. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of New Mexico. The Village's Schedule of Collateral is presented on page 71 of this report.

As of June 30, 2016, the Village's bank balances of \$454,090 were exposed to custodial credit risk as follows:

Insured through federal depository insurance	\$ 454,090
Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the Village's name	-
Uninsured and uncollateralized	-
Total deposits	\$ 454,090

4. Receivables

Receivables as of June 30, 2016 are as follows:

Governmental Activities	General	Fire Fund	Law Enforcement Fund	Road Fund	Capital Projects Fund	Non- major Funds	Total Receivables
Accounts	\$ 570	-	-	-	-	-	570
Taxes:							
Property	-	-	-	-	-	-	-
State	46,778	-	-	-	-	-	46,778
Subtotal	47,348	-	-	-	-	-	47,348
Less: Allowance for uncollectible	-	-	-	-	-	-	-
Net receivables	\$ 47,348	-	-	-	-	-	47,348

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

4. Receivables (continued)

Business-type activities		Waste		Total
		Water	Bath House	
		Fund	Fund	Receivables
Accounts receivable	\$	<u>12,127</u>	<u>536</u>	<u>12,663</u>
Subtotal		12,127	536	12,663
Less: Allowance for uncollectible		<u>(6,410)</u>	<u>-</u>	<u>(6,410)</u>
Net receivables	\$	<u>5,717</u>	<u>536</u>	<u>6,253</u>

The Village maintains a receivable balance in the Waste Water Fund that consists of balances that are not expected to be collected within one year and which are deemed uncollectible. These balances became legally uncollectible when “any debt that is not enforceable in a judicial proceeding because the applicable statute of limitations has run out” NMAC 12.2.12.7(I). The Village may remove legally uncollectible debt that is four years old, and that is contractually six years old as permitted by NMSA 1978 3-37-7.

In accordance with GASB No. 33, the property tax revenues totaling \$0 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

5. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows.

Governmental Activities	Balance 06/30/15	Additions	Deletions	Adjustments	Balance 06/30/16
Non-depreciable capital assets:					
Land	\$ 413,584	-	-	-	413,584
Construction in progress	328,980	-	328,980	-	-
Total non-depreciable capital assets	<u>742,564</u>	<u>-</u>	<u>328,980</u>	<u>-</u>	<u>413,584</u>
Capital assets being depreciated:					
Buildings	929,100	328,980	-	-	1,258,080
Buildings and improvements	265,827	-	(4,021)	-	261,806
Furniture, fixtures & equipment	155,604	-	-	-	155,604
Vehicles	462,781	-	-	-	462,781
Infrastructure	<u>2,315,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,315,655</u>
Total capital assets being depreciated	4,128,967	328,980	(4,021)	-	4,453,926
Less accumulated depreciation for:					
Buildings	(181,394)	(21,832)	-	-	(203,226)
Buildings and improvements	(134,024)	(12,842)	4,021	-	(142,845)
Furniture, fixtures & equipment	(139,168)	(4,065)	-	-	(143,233)
Vehicles	(384,447)	(33,209)	-	-	(417,656)
Infrastructure	<u>(403,319)</u>	<u>(54,219)</u>	<u>-</u>	<u>-</u>	<u>(457,538)</u>
Total accumulated depreciation	<u>(1,242,352)</u>	<u>(126,167)</u>	<u>4,021</u>	<u>-</u>	<u>(1,364,498)</u>
Total capital assets being depreciated	<u>2,886,615</u>	<u>202,813</u>	<u>-</u>	<u>-</u>	<u>3,089,428</u>
Total capital assets, net of depreciation	\$ <u>3,629,179</u>	<u>202,813</u>	<u>328,980</u>	<u>-</u>	<u>3,503,012</u>



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

5. Capital Assets (continued)

<u>Business-type Activities</u>	Balance 06/30/15	Additions	Deletions	Adjustments	Balance 06/30/16
Non-depreciable capital assets:					
Land	\$ 15,125	-	-	-	15,125
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>15,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,125</u>
Capital assets being depreciated:					
Buildings	1,438,930	41,705	-	-	1,480,635
Buildings and improvements	24,952	-	-	-	24,952
Furniture, fixtures & equipment	466,699	-	-	-	466,699
Vehicles	26,980	-	-	(1,000)	25,980
Infrastructure	<u>671,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>671,940</u>
Total capital assets being depreciated	2,629,501	41,705	-	(1,000)	2,670,206
Less accumulated depreciation for:					
Buildings	(406,339)	(18,326)	-	-	(424,665)
Buildings and improvements	(14,823)	(1,365)	-	-	(16,188)
Furniture, fixtures & equipment	(173,576)	(10,184)	-	(2,000)	(185,760)
Vehicles	(26,980)	-	-	1,000	(25,980)
Infrastructure	<u>(174,633)</u>	<u>(16,799)</u>	<u>-</u>	<u>-</u>	<u>(191,432)</u>
Total accumulated depreciation	<u>(796,351)</u>	<u>(46,674)</u>	<u>-</u>	<u>(1,000)</u>	<u>(844,025)</u>
Total capital assets being depreciated	<u>1,833,150</u>	<u>(4,969)</u>	<u>-</u>	<u>(2,000)</u>	<u>1,826,181</u>
Total capital assets, net of depreciation	\$ <u>1,848,275</u>	<u>(4,969)</u>	<u>-</u>	<u>(2,000)</u>	<u>1,841,306</u>

Land and construction in progress are not subject to depreciation. Depreciation expense for the year ended June 30, 2016 was charged to the following functions and funds:

Governmental activities:

General government	\$ 28,323
Public safety	39,635
Public works	54,219
Culture and recreation	<u>3,990</u>
Total governmental activities	\$ <u>126,167</u>

Business-type activities:

Waste water	\$ 45,309
Bath house	<u>1,365</u>
Total business-type activities	\$ <u>46,674</u>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

6. Long-Term Debt

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016	Due within one year
<b>Governmental funds debt</b>					
Compensated absences	\$ 6,437	8,794	(10,152)	5,079	4,063
Notes payable	42,760	-	(9,997)	32,763	10,442
<b>Total governmental activities</b>	<b>\$ 49,197</b>	<b>8,794</b>	<b>(20,149)</b>	<b>37,842</b>	<b>14,505</b>
<b>Business-type funds debt</b>					
Compensated absences	\$ 7,718	5,193	(4,790)	8,121	6,496
Notes payable	130,675	-	(5,203)	125,472	5,359
<b>Total business-type activities</b>	<b>\$ 138,393</b>	<b>5,193</b>	<b>(9,993)</b>	<b>133,593</b>	<b>11,855</b>

Long-term liabilities are liquidated from the general fund and special revenue funds. Business-type long-term liabilities are liquidated from the waste water and bath house funds, as applicable. No short-term debt was incurred during fiscal year 2016.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2016 are as follows.

**Governmental activities**

Notes payable

JVCU - Police Vehicles

On June 24, 2013, the Village borrowed \$63,919 from the Jemez Valley Credit Union. The note matures on August 1, 2018, and accrues interest at 4.50% per annum. The proceeds of the loan were used for the purchase of two police vehicles. The note is secured by the vehicles, which have a current book value of \$14,122. The future payments required on the note payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 10,442	1,474	11,916
2018	10,911	1,004	11,915
2019 and thereafter	11,410	500	11,910
	<b>\$ 32,763</b>	<b>2,978</b>	<b>35,741</b>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

6. Long-Term Debt (continued)

**Business-type activities**

Notes payable

NMED – CWSRF 019 – Wastewater System Improvements

On March 26, 2013, the Village entered into a note payable agreement for \$135,726 with the New Mexico Environment Department in connection with the State’s Clean Water State Revolving Fund Loan Program. The note matures on May 14, 2034, and carries a 3% interest rate per annum. The proceeds of the loan are to be used for improvements to the Village’s wastewater system. The payments of principal are paid from pledged net revenues of the Village’s wastewater utility system. The revenues pledged totaled \$163,913 at June 30, 2016, and equal 8.42% of future estimated net revenues at their current rate. During the year ended June 30, 2016, the City collected \$108,154 in pledged revenues, and retired \$9,123 in principal and interest on the aforementioned note.

The future payments required on the note payable are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$	5,359	3,764	9,123
2018		5,520	3,603	9,123
2019		5,685	3,438	9,123
2020		5,855	3,267	9,122
2021		6,031	3,092	9,123
2022-2026		32,982	12,633	45,615
2027-2031		38,235	7,080	45,315
2032-2034		<u>25,805</u>	<u>1,564</u>	<u>27,369</u>
	\$	<u>125,472</u>	<u>38,441</u>	<u>163,913</u>

7. Interfund Balances and Transfers

The Village recorded interfund transfers to reflect activity occurring between funds. Transfers and payments within the Village are substantially for the purpose of subsidizing operating functions and funding various projects within the Village. Transfers to the General Fund from the enterprise funds represent administrative fees charged to these funds for administrative functions provided throughout the year. All transfers made during the year were considered routine and were consistent with the general characteristics of the Village’s transfer policy.

The composition of interfund transfers during the year ended June 30, 2016 was as follows:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

7. Interfund Balances and Transfers (continued)

<u>Transfers Out</u>	<u>Transfers In</u>		
	Municipal Improvements	Non-Major Governmental	Total
General	\$ 667	506	1,173
Law Enforcement Fund	-	11,916	11,916
Fire Fund	100,000	-	100,000
Total	\$ <u>100,667</u>	<u>12,422</u>	<u>113,089</u>

The Village recorded interfund receivables/payables to reflect temporary loans between funds. The purpose of the loans was for payment of payroll tax initially paid by the general fund. In addition, loans were made to cover cash shortages until grant reimbursements or other funding measures could be obtained. All interfund balances are expected to be repaid within one year. Interfund balances as of June 30, 2016, are as follows:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>
General Fund	Waste water fund - proprietary fund	\$ 2,325
General Fund	Bath house fund - proprietary fund	2,653
Municipal Court Bonds - Fiduciary Fund	General Fund	<u>2</u>
Total interfund receivable/payables		<u>\$ 4,980</u>

8. Rent Revenue

The Village receives rental income for the old fire station building. During the year ended June 30, 2016, \$1,500 was received in rental income. On July 1, 2015, the lessor has not exercised the rental agreement option and has vacated the building.

9. Operating Leases

The Village has entered an operating lease for three copiers, which contains cancellation provisions and is subject to annual appropriations. The rent expenditures for this lease are primarily from the General Fund. Future minimum lease payments are:

<u>Fiscal Year Ending</u>	
<u>June 30,</u>	<u>Amount</u>
2017	\$ 5,469
2018	5,469
2019	5,469
2020	5,469
2021	<u>4,558</u>
	<u>\$ 26,434</u>

Rental payments charged to current operations for the year ended June 30, 2016 totaled \$912.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

10. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries and natural disasters.

Village of Jemez Springs has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insurers Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The Village pays an annual premium to New Mexico Self-Insured Fund for coverage that 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. All risk of loss is transferred. The premiums paid for the year ended June 30, 2016 were \$46,826.

11. PERA Pension Plan

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

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

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at:

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the Village of Jemez Spring are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

11. PERA Pension Plan (continued)

Tier I and Tier II, see the tables available in the note disclosures on page 44 of the PERA FY15 annual audit report at:

[http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf).

The PERA coverage options that apply to the Village are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the Village were \$24,975 and no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2016.

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

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

For PERA Fund Division Municipal General, at June 30, 2016, the Village reported a liability of \$225,059 for its proportionate share of the net pension liability. At June 30, 2015, the Village’s proportion was 0.0221 percent, which was changed from its proportion measured as of June 30, 2014, of .0212 percent.

For the year ended June 30, 2016, the Village recognized PERA Fund Division Municipal General Pension expense recovery of \$228. At June 30, 2016, the Village reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

11. PERA Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,991
Changes of assumptions	-	88
Net difference between projected and actual earnings on pension plan investments	-	713
Village contributions subsequent to the measurement date	<u>24,936</u>	<u>-</u>
Total	\$ <u>24,936</u>	<u>5,792</u>

Village of Jemez Springs contributions subsequent to the measurement date June 30, 2015 in the amount of \$24,936 and reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	(5,968)
2018		(5,968)
2019		(5,968)
2020		12,112
2021		-
Thereafter		<u>-</u>
	\$	<u>(5,792)</u>

For PERA Fund Division Municipal Police, at June 30, 2016, the Village reported a liability of \$15,387 for its proportionate share of the net pension liability. At June 30, 2016, the Village's proportion was 0.0032 percent, which was changed from its proportion measured as of June 30, 2015 of 0.0093 percent.

For the year ended June 30, 2016, the Village recognized PERA Fund Division Municipal Police pension expense recovery of \$16,317. At June 30, 2016, the Village reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

11. PERA Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,075	-
Changes of assumptions	-	637
Net difference between projected and actual earnings on pension plan investments	-	43
Village contributions subsequent to the measurement date	-	9,784
Total	\$ 1,075	10,464

Village of Jemez Spring contributions subsequent to the measurement date June 30, 2015 in the amount of \$9,784 and reported as deferred inflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2017	\$	(131)
2018		(131)
2019		(131)
2020		788
2021		-
Thereafter		-
	\$	395

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the evaluation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

11. PERA Pension Plan (continued)

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% of annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate

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

All Funds - Asset Class	Target Allocation	Long-term Expected Rate of Return
US equity	21.10%	5.00%
International equity	24.80%	5.20%
Private equity	7.00%	8.20%
Core and global fixed income	26.10%	1.85%
Fixed income plus sectors	5.00%	4.80%
Real estate	5.00%	5.30%
Real assets	7.00%	5.70%
Absolute return	<u>4.00%</u>	4.15%
	<u>100.00%</u>	

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

STATE OF NEW MEXICO  
 VILLAGE OF JEMEZ SPRINGS  
 Notes to Financial Statements  
 June 30, 2016

11. PERA Pension Plan (continued)

Sensitivity of the Village’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Village’s net pension liability in each PERA Fund Division that Village participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>PERA Fund Division - Municipal General</u>			
Village's proportionate share of the net pension liability	\$ 383,645	225,329	93,699
<u>PERA Fund Division - Municipal Police</u>			
Village's proportionate share of the net pension liability	\$ 24,411	15,387	7,164

***Pension plan fiduciary net position.*** Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY15 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

12. Post-Employment Benefits

***Plan Description.*** Village of Jemez Springs contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

12. Post-Employment Benefits (continued)

That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Village's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014, were \$6,316, \$5,051, and \$4,955, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
 VILLAGE OF JEMEZ SPRINGS  
 Notes to Financial Statements  
 June 30, 2016

13. Fund Deficits and Non-Compliance

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Excess Expenditures Over Appropriations

Budgetary authority is at the fund level. The following funds exceeded approved budgetary authority for the year ended June 30, 2016:

Fund	Fund Type	Amount
Lodger's Tax Fund	Special Revenue	\$ 403

14. Contingencies

The Village participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor agencies.

Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds of the overall financial position of the Village.

The Village is party to various legal proceedings, which are the unavoidable results of governmental operations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's legal counsel that resolution of these matters will not have a material effect on the financial condition of the Village.

15. Related Party Transactions

There are no related party transactions.

16. Evaluation of Subsequent Events

The Village has evaluated subsequent events through January 13, 2017, the date which the financial statements were available to be issued.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Notes to Financial Statements  
June 30, 2016

17. Subsequent Pronouncements

In June 2015, GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The Village is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The Village is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The Village is still evaluating how this pronouncement will affect the financial statements.

In August 2015, GASB Statement No. 77 Tax Abatement Disclosures, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The Village will implement this standard during the fiscal year ended June 30, 2017. The Village is still evaluating how this pronouncement will affect the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Proportionate Share of the  
Net Pension Liability of PERA Fund Division Municipal General  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<u>2016</u>	<u>2015</u>
Village of Jemez Spring's proportion of the net pension liability (asset)	0.0221%	0.0212%
Village of Jemez Spring's proportionate share of the net pension liability (asset)	\$ 225,059	165,383
Village of Jemez Spring's covered-employee payroll	\$ 264,491	306,752
Village of Jemez Spring's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	85.09%	53.91%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

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

See independent auditors' report.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Proportionate Share of the  
Net Pension Liability of PERA Fund Division Municipal Police  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

		<u>2016</u>	<u>2015</u>
Village of Jemez Spring's proportion of the net pension liability (asset)		0.0032%	0.0093%
Village of Jemez Spring's proportionate share of the net pension liability (asset)	\$	15,387	30,317
Village of Jemez Spring's covered-employee payroll	\$	51,923	13,462
Village of Jemez Spring's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		29.63%	225.20%
Plan fiduciary net position as a percentage of the total pension liability		76.99%	81.29%

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

See independent auditors' report.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Municipal General Division  
Last 10 Fiscal Years\*

		<u>2016</u>	<u>2015</u>
Contractually required contribution	\$	19,575	16,788
Contributions in relation to the contractually required contribution	\$	19,575	16,788
Contribution deficiency (excess)	\$	-	-
Village's covered-employee payroll	\$	264,491	306,752
Contributions as a percentage of covered-employee payroll		7.40%	5.47%

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

See independent auditors' report.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Municipal Police Division  
Last 10 Fiscal Years\*

		<u>2016</u>	<u>2015</u>
Contractually required contribution	\$	5,400	1,230
Contributions in relation to the contractually required contribution	\$	5,400	1,230
Contribution deficiency (excess)	\$	-	
Village's covered-employee payroll	\$	51,923	13,462
Contributions as a percentage of covered-employee payroll		10.40%	9.14%

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

See independent auditors' report.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Contributions  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2016

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at: [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

***Changes of assumptions.*** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report_FINAL.pdf). For details about changes in the actuarial assumptions, see page 53 of the report.

**SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Non-Major Governmental Funds  
For the Year Ended June 30, 2016

**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.

**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.

**Events 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.

**NM Clean & Beautiful Fund** – To account for the revenues and expenditures for the Litter Control & Beautification Grant received from the NM Tourism Department NMSA 67-16-12.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2016

	Special Revenue Funds	Debt Service Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Assets and deferred outflows of resources:			
Assets			
Cash and cash equivalents	\$ 12,846	-	12,846
Due from other governments	<u>2,653</u>	<u>-</u>	<u>2,653</u>
Total current assets	15,499	-	15,499
Deferred outflows of resources:			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ <u>15,499</u>	<u>-</u>	<u>15,499</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities			
Accounts payable	\$ -	-	-
Due to other funds	<u>2,653</u>	<u>-</u>	<u>2,653</u>
Total liabilities	2,653	-	2,653
Deferred inflows of resources:			
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	2,653	-	2,653
Fund balances:			
Nonspendable	-	-	-
Restricted	12,846	-	12,846
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>12,846</u>	<u>-</u>	<u>12,846</u>
Total liabilities, deferred inflows of resources, and fund balances:	\$ <u>15,499</u>	<u>-</u>	<u>15,499</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue Funds	Debt Service Funds	Totals
Revenues:			
Taxes			
Other	\$ 15,741	-	15,741
Fines and forfeitures	1,240	-	1,240
Intergovernmental revenue			
State grants	-		-
Local grants	2,653	-	2,653
Miscellaneous income	26,043	-	26,043
Total Revenues	45,677	-	45,677
Expenditures:			
Current:			
General government	20,056	-	20,056
Public safety	2,322	-	2,322
Culture and recreation	24,005	-	24,005
Debt service:			
Principal	-	9,997	9,997
Interest	-	1,919	1,919
Total expenditures	46,383	11,916	58,299
Excess (deficiency) of revenues over (under) expenditures	(706)	(11,916)	(12,622)
Other financing sources (uses)			
Transfers in	506	11,916	12,422
Transfers out	-	-	-
Total other financing sources (uses)	506	11,916	12,422
Net change in fund balances	(200)	-	(200)
Beginning fund balance	13,046	-	13,046
Ending fund balance	\$ 12,846	-	12,846

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Non-Major Governmental Funds – Special Revenue Funds  
Combining Balance Sheet  
June 30, 2016

	Correction Fund	Rec Fund	EMS Fund	Library Fund	Lodgers' Tax	Events Fund	DWI Fund	NM Clean & Beautiful Fund	Total
Assets and deferred outflows of resources:									
Assets									
Cash and cash equivalents	\$ 1,326	-	213	(319)	11,622	-	4	-	12,846
Due from other governments	-	-	-	-	-	-	-	2,653	2,653
Total current assets	1,326	-	213	(319)	11,622	-	4	2,653	15,499
Deferred outflows of resources:									
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,326	-	213	(319)	11,622	-	4	2,653	15,499
Liabilities, deferred inflows of resources and fund balances:									
Liabilities									
Accounts payable	\$ -	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	2,653	2,653
Total liabilities	-	-	-	-	-	-	-	2,653	2,653
Deferred inflows of resources:									
Unavailable revenues	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	-	-	-	-	2,653	2,653
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,326	-	213	(319)	11,622	-	4	-	12,846
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	1,326	-	213	(319)	11,622	-	4	-	12,846
Total liabilities, deferred inflows of resources, and fund balances:	\$ 1,326	-	213	(319)	11,622	-	4	2,653	15,499

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



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Non-Major Governmental Funds – Debt Service Funds  
Combining Balance Sheet  
June 30, 2016

	Debt Service	Total
Assets and deferred outflows of resources:		
Assets		
Cash and cash equivalents	\$ -	-
Total current assets	-	-
Deferred outflows of resources:		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ -	-
Liabilities, deferred inflows of resources and fund balances:		
Liabilities		
Accounts payable	\$ -	-
Total liabilities	-	-
Deferred inflows of resources:		
Unavailable revenues	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	\$ -	-

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Non-Major Governmental Funds – Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2016

	Correction Fund	Rec Fund	EMS Fund	Library Fund	Lodgers' Tax	Events Fund	DWI Fund	NM Clean & Beautiful Fund	Total
Revenues:									
Taxes									
Other	\$ -	-	-	-	15,741	-	-	-	15,741
Fines and forfeitures	1,240	-	-	-	-	-	-	-	1,240
Intergovernmental revenue	-	-	-	-	-	-	-	-	-
State grants	-	-	-	-	-	-	-	-	-
Local grants	-	-	-	-	-	-	-	2,653	2,653
Miscellaneous income	-	-	-	23,254	537	-	2,252	-	26,043
Total revenues	1,240	-	-	23,254	16,278	-	2,252	2,653	45,677
Expenditures:									
Current:									
General government	-	-	-	-	17,403	-	-	2,653	20,056
Public safety	-	-	-	-	-	-	2,322	-	2,322
Culture and recreation	-	-	-	24,005	-	-	-	-	24,005
Total expenditures	-	-	-	24,005	17,403	-	2,322	2,653	46,383
Excess (deficiency) of revenues over (under) expenditures	1,240	-	-	(751)	(1,125)	-	(70)	-	(706)
Other financing sources (uses)									
Transfers in	-	-	-	432	-	-	74	-	506
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	432	-	-	74	-	506
Net change in fund balances	1,240	-	-	(319)	(1,125)	-	4	-	(200)
Beginning fund balance	86	-	213	-	12,747	-	-	-	13,046
Ending fund balance	\$ 1,326	-	213	(319)	11,622	-	4	-	12,846

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Non-Major Governmental Funds – Debt Service Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2016

	<u>Debt Service Fund</u>	<u>Total</u>
Revenues:		
Miscellaneous income	\$ -	-
Total Revenues	-	-
Expenditures:		
Current:		
Debt Service	-	-
Principal	9,997	9,997
Interest	1,919	1,919
Total expenditures	<u>11,916</u>	<u>11,916</u>
Excess (deficiency) of revenues over (under) expenditures	(11,916)	(11,916)
Other financing sources (uses)		
Transfers in	11,916	11,916
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>11,916</u>	<u>11,916</u>
Net change in fund balances	-	-
Beginning fund balance	<u>-</u>	<u>-</u>
Ending fund balance	\$ <u>-</u>	<u>-</u>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Corrections Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	2,000	1,240	(760)
Total revenues	-	2,000	1,240	(760)
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	2,000	1,240	(760)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	2,000	<u>1,240</u>	<u>(760)</u>
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	<u>2,000</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			1,240	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			<u>-</u>	
Net change in fund balance (GAAP basis)			<u>\$ 1,240</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Recreation Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	-	-
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
EMS Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety	-	213	-	213
Total expenditures	-	213	-	213
Excess (deficiency) of revenues over expenditures	-	(213)	-	(213)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	(213)	-	(213)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	(213)		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Library Grants – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue:				
State grants	\$ 9,700	9,700	8,849	(851)
Local grants	74,000	74,000	14,405	(59,595)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	83,700	83,700	23,254	(60,446)
Expenditures:				
Current:				
Culture and recreation	<u>83,700</u>	<u>83,700</u>	<u>24,005</u>	<u>59,695</u>
Total expenditures	<u>83,700</u>	<u>83,700</u>	<u>24,005</u>	<u>59,695</u>
Excess (deficiency) of revenues over expenditures	-	-	(751)	(751)
Other financing sources (uses)				
Transfers in	-	-	432	(432)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>432</u>	<u>(432)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	<u>(319)</u>	<u>(1,183)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	\$ <u>-</u>	<u>-</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (319)	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			<u>-</u>	
Net change in fund balance (GAAP basis)			<u>\$ (319)</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Lodger's Tax Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Other	\$ 11,000	17,000	15,741	(1,259)
Miscellaneous	<u>-</u>	<u>-</u>	<u>537</u>	<u>537</u>
Total revenues	11,000	17,000	16,278	(722)
Expenditures:				
Current:				
General government	<u>11,000</u>	<u>17,000</u>	<u>17,403</u>	<u>(403)</u>
Total expenditures	<u>11,000</u>	<u>17,000</u>	<u>17,403</u>	<u>(403)</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,125)	(1,125)
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>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	<u>(1,125)</u>	<u>(1,125)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	\$ <u>-</u>	<u>-</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (1,125)	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			<u>-</u>	
Net change in fund balance (GAAP basis)			\$ <u>(1,125)</u>	

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



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Events Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous income	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Culture and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	<u>-</u>	<u>-</u>
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			<u>-</u>	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
DWI Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous income	\$ 2,500	2,500	2,252	(248)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,252</u>	<u>(248)</u>
Expenditures:				
Current:				
Public safety	2,500	2,500	2,322	178
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,322</u>	<u>178</u>
Excess (deficiency) of revenues over expenditures	-	-	(70)	(70)
Other financing sources (uses)				
Transfers in	-	-	74	74
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	<u>4</u>	<u>4</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	\$ <u>-</u>	<u>-</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 4	
Adjustments to revenue not necessary			-	
Adjustments to expenditures not necessary			<u>-</u>	
Net change in fund balance (GAAP basis)			<u>\$ 4</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NM Clean & Beautiful Fund – Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	2,700	-	(2,700)
Total revenues	-	2,700	-	(2,700)
Expenditures:				
Current:				
General government	-	2,700	2,653	47
Total expenditures	-	2,700	2,653	47
Excess (deficiency) of revenues over expenditures	-	-	(2,653)	(2,653)
Other financing sources (uses)				
Transfers in	-	432	-	(432)
Transfers out	-	(432)	-	432
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	-	(2,653)	(2,653)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (2,653)	
Adjustments to revenues for revenue accruals			2,653	
Adjustments to expenditures not necessary			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Municipal Improvements Fund – Major Capital Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>			<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Intergovernmental revenue				
State grants	\$ 90,000	232,420	-	(232,420)
Total revenues	<u>90,000</u>	<u>232,420</u>	-	<u>(232,420)</u>
Expenditures:				
Current:				
Public safety	90,000	90,000	20,015	69,985
Capital outlay	<u>20,000</u>	<u>162,420</u>	-	<u>162,420</u>
Total expenditures	<u>110,000</u>	<u>252,420</u>	<u>20,015</u>	<u>232,405</u>
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(20,015)	(15)
Other financing sources (uses)				
Transfers in	20,000	120,000	100,667	(19,333)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>120,000</u>	<u>100,667</u>	<u>(19,333)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	-	100,000	<u>80,652</u>	<u>(19,348)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	\$ <u>-</u>	<u>100,000</u>		
Reconciliation from budget/actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 80,652	
Adjustments to revenue not necessary			-	
Adjustments to expenditures			<u>(4,303)</u>	
Net change in fund balance (GAAP basis)			\$ <u>76,349</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Bath House Fund - Proprietary Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>			Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 334,762	334,762	302,602	(32,160)
Total operating revenues	<u>334,762</u>	<u>334,762</u>	<u>302,602</u>	<u>(32,160)</u>
Operating expenses:				
Personnel services	50,000	50,000	92,615	(42,615)
Operating expenses	<u>270,762</u>	<u>270,762</u>	<u>163,941</u>	<u>106,821</u>
Total operating expenditures	<u>320,762</u>	<u>320,762</u>	<u>256,556</u>	<u>64,206</u>
Operating income (loss)	14,000	14,000	46,046	32,046
Non-operating revenues (expenses):				
Grant revenues	-	-	-	-
Interest income	-	-	68	68
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>68</u>	<u>68</u>
Income (loss) before transfers	14,000	14,000	46,114	32,114
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	14,000	14,000	<u>46,114</u>	<u>32,114</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Total	\$ <u>14,000</u>	<u>14,000</u>		
Reconciliation from budget/actual to GAAP				
Change in net position (Non-GAAP budgetary basis)			\$ 46,114	
Adjustments to revenues for tax and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			3,714	
Depreciation and other non-cash items			<u>(1,365)</u>	
Change in net position (GAAP)			\$ <u>48,463</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Waste Water Fund - Proprietary Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 104,831	106,668	108,154	1,486
Miscellaneous revenues	<u>300</u>	<u>300</u>	<u>24</u>	<u>(276)</u>
Total operating revenues	105,131	106,968	108,178	1,210
Operating expenses:				
Personnel services	50,000	50,000	54,346	(4,346)
Operating expenses	<u>97,163</u>	<u>99,000</u>	<u>84,002</u>	<u>14,998</u>
Total operating expenditures	<u>147,163</u>	<u>149,000</u>	<u>138,348</u>	<u>10,652</u>
Operating income (loss)	(42,032)	(42,032)	(30,170)	11,862
Non-operating revenues (expenses):				
Gain/(loss) on disposal of capital assets	-	-	-	-
Grant revenues	42,000	42,000	41,709	(291)
Gross receipts and other taxes	-	-	-	-
Interest income	32	32	119	87
Interest expense	<u>-</u>	<u>-</u>	<u>(3,351)</u>	<u>(3,351)</u>
Total non-operating revenues (expenses)	<u>42,032</u>	<u>42,032</u>	<u>38,477</u>	<u>(3,555)</u>
Income (loss) before transfers	-	-	8,307	8,307
Transfers in	-	-	-	-
Transfers out	<u>(9,123)</u>	<u>(9,123)</u>	<u>-</u>	<u>-</u>
	<u>(9,123)</u>	<u>(9,123)</u>	<u>-</u>	<u>-</u>
Change in net position	(9,123)	(9,123)	<u>8,307</u>	<u>8,307</u>
Budgeted cash carryover	<u>9,123</u>	<u>9,123</u>		
Total	\$ <u>-</u>	<u>-</u>		
Reconciliation from budget/actual to GAAP				
Change in net position (Non-GAAP budgetary basis)			\$ 8,307	
Adjustments to revenues for tax and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			40,498	
Depreciation and other non-cash items			<u>(45,309)</u>	
Change in net position (GAAP)			<u>\$ 3,496</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2016

	Balance			Balance
	June 30, 2015	Receipts	Disbursements	June 30, 2016
<b>Municipal court</b>				
<b>Assets:</b>				
Cash	\$ -	558	(558)	-
Due from general fund	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>558</b>	<b>(558)</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	-	-	-
Held for others	-	558	(558)	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>558</b>	<b>(558)</b>	<b>-</b>
<b>Motor vehicle fund</b>				
<b>Assets:</b>				
Cash	\$ 1,017	-	(942)	75
Due from general fund	-	10,482	(10,482)	-
<b>Total assets</b>	<b>\$ 1,017</b>	<b>10,482</b>	<b>(11,424)</b>	<b>75</b>
<b>Liabilities:</b>				
Held for others	\$ 1,017	10,482	(11,424)	75
<b>Total liabilities</b>	<b>\$ 1,017</b>	<b>10,482</b>	<b>(11,424)</b>	<b>75</b>
<b>Total agency funds</b>				
<b>Assets:</b>				
Cash	\$ 1,017	558	(1,500)	75
Due from general fund	-	10,482	(10,482)	-
<b>Total assets</b>	<b>\$ 1,017</b>	<b>11,040</b>	<b>(11,982)</b>	<b>75</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	-	-	-
Held for others	1,017	11,040	(11,982)	75
<b>Total liabilities</b>	<b>\$ 1,017</b>	<b>11,040</b>	<b>(11,982)</b>	<b>75</b>

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Fund Balances  
June 30, 2016

	Major Funds						Total Funds
	Spec Revenue				Cap Proj		
	General Fund	Fire Fund	Law Enforcement		Municipal Improvements Fund	Non-major Government al Funds	
			Fund	Road Fund			
Fund balances:							
Nonspendable							
Prepaid expenses	\$ -	-	-	-	-	-	
Subtotal nonspendable funds	-	-	-	-	-	-	
Restricted for:							
Road improvements	-	-	-	49,437	-	-	
Providing emergency medical services	-	-	-	-	213	213	
Fire fighting efforts	-	32,859	-	-	-	32,859	
Public safety and law enforcement efforts	-	-	6,879	-	1,330	8,209	
Culture and recreation efforts	-	-	-	-	80,682	80,682	
Economic development efforts	-	-	-	-	11,303	11,303	
Subtotal restricted funds	-	32,859	6,879	49,437	80,682	12,846	
Committed to:							
Subtotal committed funds	-	-	-	-	-	-	
Assigned to:							
Subtotal assigned funds	-	-	-	-	-	-	
Unassigned	177,370	-	-	-	-	177,370	
	\$ 177,370	32,859	6,879	49,437	80,682	12,846	
	-	-	-	-	-	360,073	

See independent auditors' report.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Depositories  
June 30, 2016

Account Name	Type	Interest Bearing	State				Balance Per Books
			Jemez Valley Credit Union	Employees Credit Union	Plus Deposits in Transit	Less O/S Checks	
General fund checking	Checking	Yes	\$ 102,269	-	2,968	(32,893)	72,344
Payroll clearing acct	Checking	No	100	-	-	-	100
Waste water checking	Checking	Yes	51,057	-	1,429	(3,929)	48,557
Waste water fund - reserve	Savings	No	356	-	-	(303)	53
Debt service acct	Savings	Yes	3,964	-	887	-	4,851
Replacement reserve acct	Savings	Yes	5,747	-	-	(887)	4,860
Bath house checking	Checking	Yes	49,946	-	286	(10,292)	39,940
Bath house fund - reserve	Savings	No	25	-	-	-	25
Motor vehicle checking	Checking	Yes	75	-	-	-	75
Savings account	Checking	Yes	145	-	-	-	145
Credit Card Clearing	Checking	Yes	75	-	-	-	75
Credit Card Clearing	Savings	Yes	25	-	-	-	25
Savings account	Savings	Yes	-	240,306	187	(187)	240,306
Petty cash			-	-	-	-	800
Total cash equivalents			<u>213,784</u>	<u>240,306</u>	<u>5,757</u>	<u>(48,491)</u>	<u>412,156</u>
Total amount on deposit			213,784	240,306	5,757	(48,491)	412,156
FDIC coverage			<u>(213,784)</u>	<u>(240,306)</u>			
Total uninsured public funds			-	-			
50% collateral requirement (Section 6-10-17 NMSA-1978)			-	-			
Collateral provided			16,354	-			
Amount (over)/under collateralized			\$ <u>(16,354)</u>	<u>-</u>			

See independent auditors' report.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Pledged Collateral by Depository  
June 30, 2016

<u>Cusip</u>	<u>Description/Maturity</u>	<u>Coupon</u>	<u>Pledged Percent</u>	<u>Original Face</u>	<u>Par</u>	<u>Book Value</u>	<u>Market Value</u>
US Bank of Cincinnati Safe-keeping location - Federal Reserve Bank 31415QS56	FNMS 7/1/2038	5.50%	8.18%	\$ 20,000	16,354	16,354	16,354
				\$ 20,000	16,354	16,354	16,354

See independent auditors' report.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Joint Powers Agreements and Memorandums of Understanding  
June 30, 2016

**Sewer Disconnection Powers - Joint Powers Agreement**

Participants: Village of Jemez Springs and Jemez Springs Domestic Water Co-op  
Responsible party: Joint  
Description: The purpose of this JPA is to jointly enforce nonpayment of sewer accounts, i.e., Sewer Disconnection Powers.  
Period: Perpetual  
Project costs: Undeterminable  
Village contributions: None  
Audit responsibility: Village of Jemez Springs

**Floodplain Administrator - Memorandum of Understanding**

Participants: Village of Jemez Springs and County of Sandoval  
Responsible party: 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.  
Period: Perpetual  
Project costs: Based on cost of actual service.  
Village contributions: None  
Audit responsibility: N/A

**Operating Agreement - Memorandum of Understanding**

Participants: Village of Jemez Springs and Jemez Sustainable Solutions  
Responsible party: Joint  
Description: The purpose of this MOU is for the operations of the Jemez Valley Recycling Center.  
Period: Perpetual  
Project costs: Undeterminable  
Village contributions: None  
Audit responsibility: Village of Jemez Springs

**Fiscal Agent - Memorandum of Understanding**

Participants: Village of Jemez Springs and Mid-Region Council of Governments  
Responsible party: Joint  
Description: The purpose of this MOU is to serve as a fiscal agent for Project #15-0845, Jemez Springs Bath House.  
Period: 03/14/16 – 06/30/19  
Project costs: \$90,000  
Village contributions: \$90,000  
Audit responsibility: Village of Jemez Springs

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Special, Deficiency, Specific and Capital Outlay Appropriations  
For the Year Ended June 30, 2016

Description	Appropriation #	Appropriation Period	Original Appropriation	Expenditures To Date	Outstanding Encumbrances	Unencumbered Balances
<b>Fund 89700</b>						
<b>Severance Tax Bonds Outstanding*</b>						
Laws 2013, Chapter 226, Section 31	13-1761	04/01/2013 - 06/30/2017	\$ 195,000	195,000	-	-
Laws 2014, Chapter 66, Section 22	14-1987	07/01/2014 - 06/30/2018	80,000	80,000	-	-
Laws 2015, Chapter 3, Section 28	15-0845	07/01/2015 - 06/30/2019	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amounts			\$ <u><u>365,000</u></u>	<u><u>275,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

\* Revenue associated with severance tax bonds is recognized when eligibility requirements are met.

All unencumbered balances may be used during the appropriation period noted above.

See independent auditors' report.

STATE OF NEW MEXICO  
 VILLAGE OF JEMEZ SPRINGS  
 Schedule of Vendor Information for Purchases Exceeding \$60,000  
 For the Year Ended June 30, 2016

<i>RFB#/RFP# (if applicable)</i>	<i>Type of procurement</i>	<i>Vendor Name</i>	<i>\$ Amount of awarded contract</i>	<i>\$ amount of amended contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief description of the scope of work</i>
N/A - No applicable purchases in current year								

See independent auditors' report.

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*

INDEPENDENT AUDITORS' REPORT

Timothy Keller  
New Mexico State Auditor  
The Board of Trustees  
Village of Jemez Springs, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of the Village of Jemez Springs, State of New Mexico, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated January 13, 2017.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies: 2013-003, 2015-002, and 2016-003.

### **Compliance and Other Matters**

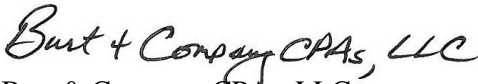
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2012-002, 2015-001, 2016-001, 2016-002, 2016-004, and 2016-005.

### **Village of Jemez Springs, State of New Mexico's Response to Findings**

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

  
Burt & Company CPAs, LLC

January 13, 2017

STATE OF NEW MEXICO  
 VILLAGE OF JEMEZ SPRINGS  
 Schedule of Findings and Responses  
 For the Year Ended June 30, 2016

**SECTION I SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

1. Type of auditors' report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weakness identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
c. Noncompliance material to the financial statements noted?	No
d. Other matters?	Yes

*Summary of findings*

	<u>Status of Current Year and Prior Year Findings</u>	<u>Financial Statement Finding</u>
<b>Prior Year Findings</b>		
2012-002 Late Filing of Audit Report	Repeated	Yes
2013-001 Material Auditor Adjustments	Resolved	Yes
2013-003 Deposit Timeliness	Repeated/Modified	Yes
2015-001 Timeliness of PERA Contributions	Repeated/Modified	Yes
2015-002 Bank Reconciliation Variances	Repeated/Modified	Yes
<b>Current Year Findings</b>		
2016-001 Controls Over Payroll	Current Year	Yes
2016-002 Controls Over Fixed Assets	Current Year	Yes
2016-003 Lack of Supporting Documentation Over Deposits	Current Year	Yes
2016-004 Lack of Approvals Over Expenditures	Current Year	Yes
2016-005 Expenditures in Excess of Budget	Current Year	Yes

**SECTION II FINDINGS – FINANCIAL STATEMENT**

**2012-002 – Late Filing of Audit Report – *Other noncompliance***

Condition: The audit for the year ended June 30, 2016 was not submitted to the state auditor's office by the December 15, 2016 due date. Management expects this finding to be resolved in the next fiscal year, and has had preliminary discussions with their IPA to start the audit process earlier in the calendar cycle.

Criteria: By statute, Section 2.2.2.9 NMAC (State Auditor Rule), the deadline for submission of this report was December 15, 2016.

Effect: The Village was not in compliance with State statute. The Village is potentially subject to state funding cuts and delays due to the untimely audit.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Findings and Responses  
For the Year Ended June 30, 2016

Cause: Completion of the current year audit was delayed due to the implementation of a new auditor and the additional analysis due to the implementation of a new more complete accounting system.

Recommendation: The Village should ensure that audits are completed and submitted in accordance with state statute.

Response: In addition to the new auditor, the Village Clerk position was unfilled shortly after June 30, 2016. With more experience by Village staff and auditors, the audit should be started and completed before the deadline. The Mayor and the Village Clerk will be responsible for ensuring the resolution of this finding in the next fiscal year.

**2013-003 – Deposit Timeliness – Significant deficiency**

Condition: During our test work of receipts, we noted several instances in which a receipt was not deposited timely (within 24 hours). Management has made progress toward the resolution of this finding and expects this finding to be resolved in the next fiscal year.

- Sewer – One of twenty-five tested deposits totaling \$887.05
- Bath House – One of twenty-five tested deposits totaling \$289.25
- MVD – Two of fifty-three deposits tested totaling \$1,104.60

Criteria: State statute requires that deposits be made within a 24 hour period from the receipt of the funds.

Effect: Non-adherence to state statutes places the Village in noncompliance and lack of timeliness of deposits could subject the Village to possible losses due to errors or fraud.

Cause: The staff of the Village did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

Recommendation: We recommend that the Village emphasize the importance of timely deposits of receipts and monitor receipts more closely in order to be compliant with state statutes. The Village should cross-train employees so that more than one individual is able to make deposits to ensure daily deposits are possible.

Response: Audit sampling showed far fewer exceptions than previous years. The Village personnel will concentrate on meeting the 24 hour deadline. The Mayor and the Village Clerk will be responsible for ensuring the resolution of this finding in the next fiscal year.

**2015-001 – Timeliness of PERA Contributions – Other noncompliance**

Condition: While conducting testwork related to PERA contributions, it was observed that the Village was not timely in its remittance of PERA contributions. It was observed that PERA remittances were late on one of 26 pay periods. Management has made progress toward the resolution of this finding and expects this finding to be resolved in the next fiscal year.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Findings and Responses  
For the Year Ended June 30, 2016

Criteria: Per NMAC 2.80.500.8.B, employers shall transmit to PERA the member and employer contributions for every member in its employ for each pay period on or before the fifth working day following the payday applicable to the pay period. Additionally, Per NMAC 2.80.500.8.D, contributions are considered untimely when submitted more than fifteen (15) days after the end of the month in which the transmittal report was due.

Effect: The Village is subject to penalties of \$50 per day and associated interest for each late remittance.

Cause: Due to transition within the Villages finance department, PERA contributions were not consistently being remitted.

Recommendation: It is recommended that the Village ensure PERA contributions are remitted timely in accordance with applicable statutes.

Response: Only one contribution was late during this fiscal year compared to 26 in the prior fiscal year. However, more diligence will be shown to eliminate error in this area. The Mayor and the Village Clerk will be responsible for ensuring the resolution of this finding in the next fiscal year.

**2015-002 – Controls Over Bank Reconciliations – Significant deficiency**

Condition: The Village has the following lack of controls over bank reconciliations:

- The Village has stale-dated checks in the amount of \$3,249.71
- The Village has outstanding deposits which have not cleared the bank in the amount of \$1,203.02.
- The Village has several bank accounts which did not have timely routine bank reconciliations performed.

Significant progress has been made on this finding from the previous fiscal year and this finding is expected to be resolved in the next fiscal year.

Criteria: NMAC 2.20.5 requires that model accounting practices established by the local government division are followed by authorized personnel. The Village does not have sufficient procedures to account for controls over bank reconciliations.

Effect: Bank reconciliations were not properly reviewed for stale-dated checks, outstanding deposits, and bank reconciliations were not performed timely on some bank accounts.

Cause: The Village does not have adequate internal control procedures over the bank reconciliation process to determine if outstanding checks are stale-dated, if outstanding deposits have cleared, and if bank reconciliations are performed timely.

Recommendation: The Village should establish and implement procedures over bank reconciliations to ensure that stale-dated checks are resolved in accordance with regulations, outstanding deposits have cleared the bank, and bank reconciliations are performed timely.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Findings and Responses  
For the Year Ended June 30, 2016

Response: An accounting policy is being written to investigate stale dated checks (six months old) and outstanding deposits (two months old). Appropriate action will be taken to eliminate these problems. Village personnel will reconcile all bank accounts in a timely manner, even those that have infrequent activity. The Mayor and the Village Clerk are responsible for ensuring the resolution of this finding in the next fiscal year.

### SECTION III CURRENT YEAR FINDINGS

#### **2016-001 – Controls Over Payroll – *Finding that does not rise to the level of significant deficiency***

Condition: During testing of controls over payroll, the following control deficiencies were noted:

- For 16 of the 16 employees tested, there was no approved pay rate in the personnel file
- For 5 of the 30 timesheets tested, there was no approval noted

Criteria: NMAC 2.20.5 requires that model accounting practices established by the local government division are followed by authorized personnel. Employees should be paid according to an approved pay rate. Timesheet should have proper approvals.

Effect: Lack of approved pay rates and/or approved timesheets increases the risk of material misstatement.

Cause: The Village did not monitor proper supporting documentation over payroll.

Recommendation: The Village should maintain proper supporting documentation over payroll.

Response: A form will be placed in the personnel files of all active employees showing the current (June 30, 2016) authorized pay rate. A new form will be placed in the file of any employee having a change in pay rate. Also, the person approving the overall bi-weekly payroll will note any unapproved timesheet for correction. The Village Clerk will be responsible for ensuring that the forms are in the personnel files and the approvals are on the timesheets. This will be implemented in the next fiscal year.

#### **2016-002 – Controls Over Fixed Assets – *Other noncompliance***

Condition: The Village has the following deficiencies over fixed assets:

- No annual physical inventory performed at fiscal year-end and no required certification of the same.
- Items listed on the fixed asset listing which have been disposed.
- Items listed on the fixed asset listing which are fully depreciated and not still in use.

Criteria: NMAC 2.20.5 requires that model accounting practices established by the local government division are followed by authorized personnel. Subsection A of Section 12-6-10 NMS 1978 requires an annual physical inventory of equipment on the inventory list and certification of the same. The Village does not have sufficient procedures to account for controls over fixed assets.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Findings and Responses  
For the Year Ended June 30, 2016

Effect: An annual inventory of fixed assets and a certification of the same was not conducted at June 30, 2016. Fixed assets was not reviewed to record dispositions or fully depreciated items which are no longer in use.

Cause: The Village does not have adequate internal control procedures over the fixed assets.

Recommendations: The Village should establish and implement procedures over fixed assets to ensure that they are accounted for in accordance with regulations.

Response: The Village will implement procedures and assign responsibility for the fixed asset inventory. The certification will be prepared by that person and presented to the Trustees. The Mayor and the Village Clerk will be responsible for ensuring this process is implemented in the current fiscal year.

**2016-003 – Lack of Supporting Documentation Over Deposits - Significant deficiency**

Condition: The Village had a lack of supporting documentation, i.e., deposit slip, POS reconciliation summary, etc., over the following:

- Bath House – Two of the twenty-five tested deposits totaling \$620.57.
- MVD – Seven of the twenty deposits tested totaling \$4,825.04.

Criteria: NMAC 2.20.5 requires that model accounting practices established by the local government division are followed by authorized personnel. Deposits should be properly supported.

Effect: Lack of supporting documentation increases the risk of material misstatement due to fraud or error.

Cause: The Village does not maintain proper supporting documentation over deposits.

Recommendations: The Village should maintain proper supporting documentation over deposits.

Response: The person currently approving the deposit will also check for adequate documentation for each deposit. The Mayor and the Village Clerk will be responsible for ensuring this process is implemented in the current fiscal year.

**2016-004 – Lack of Approvals Over Expenditures - Finding that does not rise to the level of significant deficiency**

Condition: During testing of expenditures, 19 of the 35 transactions tested had a lack of documentation of approval for the expenditure.

Criteria: According to Village of Jemez policy, expenditures should have approvals documented on the voucher.

Effect: Lack of documented approvals over expenditures increases the risk of material misstatement due to fraud or error.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Schedule of Findings and Responses  
For the Year Ended June 30, 2016

Cause: The Village did not maintain proper approvals over expenditures.

Recommendations: The Village should maintain proper approvals over expenditures.

Response: A voucher sheet accompanies each expenditure that shows the account code, voucher preparer and approver. The check signer will now be responsible for ensuring each voucher is signed by preparer and approver. The Mayor and the Village Clerk will ensure this process is implemented in the current fiscal year.

**2016-005 – Expenditures in Excess of Budget – Noncompliance**

Condition: Expenditures exceeded the approved budget in the following funds:

- Lodger's Tax Fund      \$403

Criteria: Per Section 6-6-6, NMSA 1978, any claims or warrants in excess of budget are a violation.

Effect: Any expenditure in excess of the approved budget shall be a liability against the officials so allowing or paying such claims or warrants, and recover of such excess amounts so allowed or paid may be had against the bondsmen of such official.

Cause: The Village does not have adequate monitoring of budgeting procedures at year end.

Recommendations: The Village should establish adequate procedures to monitor budget compliance with state statutes.

Response: Although an effort was made to file Budget Adjustment Requests (BAR) with DFA, the BAR for the Lodgers' Tax Fund was not enough to cover the final expenses. Greater effort will be made to file BAR's on all overspending. The Mayor and the Village Clerk will ensure the BARs are filed timely and cover all expenditures. This process will be implemented in the current fiscal year.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Other Disclosures  
For the Year Ended June 30, 2016

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

*Presentation:* The accompanying financial statements are the responsibility of the Village and are based on information from the Village's financial records. Assistance was provided by Burt & Company CPAs, LLC to the Village in preparing the financial statements.

**B. EXIT CONFERENCE**

The contents of the report for the Village of Jemez Springs were discussed on January 13, 2017. The following individuals were in attendance.

Village of Jemez Springs Officials

Robert Wilson, Mayor

Yvonne Dickey, Village Clerk/Treasurer

Burt & Company CPAs, LLC

Ronald E. Schranz, CPA, CVA, Audit Partner

Misty L. Schuck, CPA, CGMA, CFE