

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS

Annual Financial Report  
For the Year Ended June 30, 2019

## **INTRODUCTORY SECTION**

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VILLAGE OF JEMEZ SPRINGS  
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June 30, 2019

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STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
Official Roster  
June 30, 2019

**Name**

**Title**

**Elected Officials**

Roger Sweet	Mayor
David Ryan	Mayor Pro-Tem
Manolito Sanchez	Trustee
Dr. Juliette Mulgrew	Trustee
Robert Wilson	Trustee

**Administrative Personnel**

Yvonne Dickey	Village Clerk/Treasurer
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**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

The Honorable Roger Sweet, Mayor  
Board of Trustees of the State of New Mexico Village of Jemez  
Springs Jemez Springs, New Mexico  
and  
Mr. Brian S. Colon, Esq., New Mexico State Auditor

### 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 of the State of New Mexico Village of Jemez Springs (Village), as of and for the year ended June 30, 2019, 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 have also audited the Village's fiduciary funds as of and for the year ended June 30, 2019, 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and respective budgetary comparisons of the general fund and major special revenue funds of the Village, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, 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 the fiduciary funds of the Village, as of June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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.

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, Schedule of Employer's Proportionate Share of the Net Postemployment Benefits (OPEB) liability, Schedule of Employer's Contributions – New Mexico Retiree Health Care Authority, and the notes to the required Supplementary Information, as listed in the table of contents, 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.



*Other Information*  
*Supplemental Information (SI)*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual non-major fund financial statements, 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 non-major fund financial statements, 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 non-major fund financial statements, 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 assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, 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.

*Baldwin Accounting & Consulting, LLC*

Baldwin Accounting & Consulting, LLC

Albuquerque, NM

June 26, 2020

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 202,292	\$ 88,272	\$ 290,564
Accounts receivable, net of allowance	15,909	28,465	44,374
Taxes receivable	79,627	-	79,627
Court fines and fees receivable	-	-	-
Grants receivable	-	-	-
Other receivables	-	-	-
Due from other funds	32,621	-	32,621
Inventories	-	5,358	5,358
Restricted cash	-	24,373	24,373
<b>Total Current Assets</b>	<u>330,449</u>	<u>146,468</u>	<u>476,917</u>
Noncurrent Assets			
Capital Assets	5,104,673	2,747,512	7,852,185
Less: Accumulated Depreciation	<u>(1,716,063)</u>	<u>(1,068,683)</u>	<u>(2,784,746)</u>
<b>Total Noncurrent Assets</b>	<u>3,388,610</u>	<u>1,678,829</u>	<u>5,067,439</u>
Deferred Outflows of Resources:			
Deferred Outflows, Pension Related	70,875	56,118	126,993
Deferred Outflows, OPEB Related	<u>3,303</u>	<u>2,616</u>	<u>5,919</u>
<b>Total Deferred Outflows of Resources</b>	<u>74,178</u>	<u>58,734</u>	<u>132,912</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>3,793,237</u>	<u>1,884,031</u>	<u>5,677,268</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	10,094	1,628	11,722
Accrued salaries and benefits	7,791	4,282	12,073
Other accrued liabilities	-	12,881	12,881
Accrued interest payable	67	349	416
Due to other Funds	-	42,252	42,252
Long-term liabilities, due in one year	10,092	5,856	15,948
Compensated absences, due in one year	<u>18,043</u>	<u>-</u>	<u>18,043</u>
<b>Total Current Liabilities</b>	<u>46,087</u>	<u>67,248</u>	<u>113,335</u>
Noncurrent Liabilities			
Compensated absences	915	10,721	11,636
Long-term liabilities, due in more than one year	41,789	103,208	144,997
Net pension liability	208,781	165,311	374,092
Net OPEB Liability	<u>148,764</u>	<u>117,790</u>	<u>266,554</u>
<b>Total Noncurrent Liabilities</b>	<u>400,249</u>	<u>397,030</u>	<u>797,279</u>
Deferred Inflows of Resources			
Deferred Inflows, Pension Related	36,495	28,897	65,392
Deferred Inflows, OPEB Related	<u>56,115</u>	<u>44,431</u>	<u>100,546</u>
<b>Total Deferred Inflows of Resources</b>	<u>92,610</u>	<u>73,328</u>	<u>165,938</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>538,946</u>	<u>537,606</u>	<u>1,076,552</u>
Net Position			
Net investment in capital assets	3,336,729	1,555,183	4,891,912
Restricted net position	98,820	24,373	123,193
Unrestricted	<u>(181,258)</u>	<u>(233,131)</u>	<u>(414,389)</u>
<b>Total Net Position</b>	<u>\$ 3,254,291</u>	<u>\$ 1,346,425</u>	<u>\$ 4,600,716</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 187,979	\$ 51,310	\$ 250,665	\$ -	\$ 113,996	\$ -	\$ 113,996
Public safety	251,465	-	-	-	(251,465)	-	(251,465)
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	151,990	-	-	-	(151,990)	-	(151,990)
Public works	86,257	-	-	-	(86,257)	-	(86,257)
Debt service - interest	4,592	-	-	-	(4,592)	(349)	(4,941)
<b>Total governmental activities</b>	<b>\$ 682,283</b>	<b>\$ 51,310</b>	<b>\$ 250,665</b>	<b>\$ -</b>	<b>(380,308)</b>	<b>(349)</b>	<b>(380,657)</b>
<b>Business-type activities:</b>							
Water and sewer	191,556	106,736	-	-	-	(84,820)	(84,820)
Bath House	293,748	233,965	-	-	-	(59,783)	(59,783)
<b>Total business-type activities</b>	<b>485,304</b>	<b>340,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(144,603)</b>	<b>(144,603)</b>
<b>Total</b>	<b>1,167,587</b>	<b>392,011</b>	<b>250,665</b>	<b>-</b>	<b>(380,308)</b>	<b>(144,952)</b>	<b>(525,260)</b>
General revenues:							
Taxes:							
Property taxes levied for general purposes					54,781	-	54,781
Gross receipts taxes					248,553	-	248,553
Other taxes and fees					14,775	-	14,775
Licenses and permits					3,147	-	3,147
Fines, forfeitures, and penalties					47,608	-	47,608
Interest income					211	159	370
Miscellaneous income					59,331	28,414	87,745
Transfers					(74,185)	74,185	-
<b>Total general revenues and transfers</b>					<b>354,221</b>	<b>102,758</b>	<b>456,979</b>
<i>Change in net position</i>					<b>(26,087)</b>	<b>(42,194)</b>	<b>(68,281)</b>
Net Position - beginning as previously stated					3,171,332	1,554,219	4,725,551
Prior period adjustment					109,046	(165,600)	(56,554)
<b>Net position - beginning as restated</b>					<b>3,280,378</b>	<b>1,388,619</b>	<b>4,668,997</b>
<b>Net position - ending</b>					<b>\$ 3,254,291</b>	<b>\$ 1,346,425</b>	<b>\$ 4,600,716</b>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2019

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	<u>Major Funds</u>			
	General	Fire	Other	Total
	Fund #101	Protection Fund #209	Governmental Funds	Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 104,240	\$ 19,968	\$ 78,084	\$ 202,292
Accounts receivable	15,909			15,909
Taxes receivable	79,627	-	-	79,627
Court fines and fees receivable	-	-	-	-
Due from other funds	32,621	-	-	32,621
Other assets	-	-	-	-
<b>Total Assets</b>	<u>\$ 232,397</u>	<u>\$ 19,968</u>	<u>\$ 78,084</u>	<u>\$ 330,449</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ 10,094	\$ -	\$ -	\$ 10,094
Insurance payable	-	-	-	-
Accrued salaries and benefits	7,791	-	-	7,791
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>17,885</u>	<u>-</u>	<u>-</u>	<u>17,885</u>
Fund balance:				
Restricted for:				
Special revenue funds	-	19,968	78,852	98,820
Subsequent years expenditures	40,679	-	-	40,679
Unassigned				
General fund	173,833	-	-	173,833
Special revenue funds	-	-	(768)	(768)
Debt service funds	-	-	-	-
Total fund balance	<u>214,512</u>	<u>19,968</u>	<u>78,084</u>	<u>312,564</u>
<b>Total liabilities and fund balance</b>	<u>\$ 232,397</u>	<u>\$ 19,968</u>	<u>\$ 78,084</u>	<u>\$ 330,449</u>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019

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

Fund balances - total governmental funds	\$	312,564
Accrued interest is not payable from current revenues		(67)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		5,104,673
Accumulated depreciation		(1,716,063)
Deferred outflows of resources due to pension plan		70,875
Deferred outflows of resources due to OPEB		3,303
Deferred inflows of resources due to pension plan		(36,495)
Deferred inflows of resources due to OPEB		(56,115)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Net pension liability		(208,781)
Net OPEB liability		(148,764)
Current compensated absences		(18,043)
Non-current compensated absences		(915)
Current notes payable		(10,092)
Non-current notes payable		(41,789)
Net position of governmental activities	\$	<u>3,254,291</u>

The notes to the financial statements are an integral part of this statement.

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, 2019

	Major Funds			Total Governmental Funds
	General Fund #101	Fire Protection Fund #209	Other Governmental Funds	
<b>Revenues:</b>				
<i>Local revenue</i>				
Franchise tax	\$ 9,771	\$ -	\$ -	\$ 9,771
Gross receipts tax - local	146,270	-	-	146,270
Property taxes	54,781	-	-	54,781
Licenses, fines & fees	24,615	-	3,740	28,355
Miscellaneous charges for services	51,310	-	40,626	91,936
Interest	211	-	-	211
<i>State revenues</i>				
Gross receipts tax - state shared	102,283	-	-	102,283
CFT gas tax	5,004	-	-	5,004
State fire allotment	-	-	-	-
Small cities distribution	90,000	-	-	90,000
Grants	7,510	-	83,308	90,818
Miscellaneous income	18,810	69,742	22,400	110,952
<i>Total revenues</i>	<u>510,565</u>	<u>69,742</u>	<u>150,074</u>	<u>730,381</u>
<b>Expenditures:</b>				
<i>Current:</i>				
General government	152,029	-	17,225	169,254
Public safety	144,508	53,860	9,120	207,488
Culture and recreation	125,409	-	-	125,409
Public works	50,254	-	20,918	71,172
Capital outlay	-	-	31,203	31,203
Debt service principal	-	-	28,318	28,318
Debt service interest and fees	-	-	4,525	4,525
<i>Total expenditures</i>	<u>472,200</u>	<u>53,860</u>	<u>111,309</u>	<u>637,369</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>38,365</u>	<u>15,882</u>	<u>38,765</u>	<u>93,012</u>
<b>Other financing uses:</b>				
Transfers In	29,000	17,000	77,496	123,496
Transfers Out	(61,653)	(27,440)	(108,588)	(197,681)
<b>Total other financing uses</b>	<u>(32,653)</u>	<u>(10,440)</u>	<u>(31,092)</u>	<u>(74,185)</u>
<i>Net change in fund balance</i>	5,712	5,442	7,673	18,827
Fund balance - beginning as previously stated	227,697	14,526	70,411	312,634
Prior period adjustment	(18,897)	-	-	(18,897)
<b>Fund balance - beginning as restated</b>	<u>208,800</u>	<u>-</u>	<u>-</u>	<u>293,737</u>
<b>Fund balance at end of the year</b>	<u>\$ 214,512</u>	<u>\$ 19,968</u>	<u>\$ 78,084</u>	<u>\$ 312,564</u>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

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

Net change in fund balance - total governmental funds	\$	18,827
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.</p>		
Depreciation expense		(122,166)
Capital outlay		-
<p>The issuance of long-term debt (e.g. bonds, notes, 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:</p>		
Debt service - principal		22,133
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences at:		
June 30, 2018		12,623
June 30, 2019		(18,958)
<p>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:</p>		
Recovery of pension expense		69,023
<p>OPEB expense is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, OPEB expense is not reported as an expenditure in governmental funds</p>		
		(7,569)
Change in net position of governmental activities	\$	<u>(26,087)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Local revenue</i>				
Franchise tax	\$ 11,400	\$ 9,770	\$ 9,771	\$ 1
Gross receipts tax - local	125,573	122,403	70,878	(51,525)
Property taxes	51,729	51,729	54,781	3,052
Licenses, fines & fees	69,600	67,365	24,615	(42,750)
Miscellaneous charges for services	10,375	23,873	70,015	46,142
Interest	-	-	211	211
<i>State revenues</i>				
Gross receipts tax - state shared	89,500	86,000	102,283	16,283
CFT gas tax	5,004	5,004	5,004	-
State fire allotment	-	-	-	-
Small cities distribution	90,000	90,000	90,000	-
Grants	-	7,500	7,615	115
<i>Total revenues</i>	453,181	463,644	435,173	(28,471)
<b>Expenditures:</b>				
<i>Current:</i>				
General government	158,849	172,310	160,224	12,086
Public safety	97,162	146,563	144,508	2,055
Culture and recreation	118,290	119,157	125,409	(6,252)
Public works	48,748	50,117	50,254	(137)
Capital outlay	-	-	-	-
Debt service principal	-	-	-	-
Debt service interest and fees	-	-	-	-
<i>Total expenditures</i>	423,049	488,147	480,395	7,752
Excess (deficiency) of revenues over expenditures	30,132	(24,503)	(45,222)	(36,223)
<i>Other financing sources (uses):</i>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	31,450	31,450	-
Transfers out	-	(31,450)	(31,450)	-
<i>Total other financing sources (uses)</i>	-	-	-	-
Net change in fund balance	30,132	(24,503)	(45,222)	(36,223)
Beginning cash balance budgeted	164,114	164,114		
<b>Total</b>	\$ 194,246	\$ 139,611	(45,222)	\$ (36,223)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Adjustments to revenues			59,129	
Adjustments to expenditures			(8,195)	
<b>Change in fund balance (GAAP)</b>			\$ 5,712	

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FIRE FUND – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>State revenue:</i>				
State fire allotment	\$ 49,742	\$ 69,742	\$ 69,742	\$ -
<i>Total revenues</i>	49,742	69,742	69,742	-
<b>Expenditures:</b>				
<i>Current:</i>				
Public safety	49,742	63,260	53,860	9,400
<i>Total expenditures</i>	49,742	63,260	53,860	9,400
Excess (deficiency) of revenues over expenditures	-	6,482	15,882	(9,400)
<b>Other financing sources (uses):</b>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in	-	17,000	17,000	-
Transfers out	-	(27,440)	(27,440)	-
<i>Total other financing sources (uses)</i>	-	(10,440)	(10,440)	-
Net change in fund balance	-	(3,958)	5,442	(9,400)
Beginning cash balance budgeted	5,263	5,263		
<b>Total</b>	\$ 5,263	\$ 1,305	5,442	\$ (9,400)

RECONCILIATION TO GAAP BASIS:

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Water and Sewer Fund #503	Bath House Fund #505	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 52,193	\$ 36,079	\$ 88,272
Receivables:			
Accounts receivable, net of allowance	3,864	24,601	28,465
Taxes receivable	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
Inventories	-	5,358	5,358
Restricted cash	24,373	-	24,373
<b>Total Current Assets</b>	<b>80,430</b>	<b>66,038</b>	<b>146,468</b>
<b>Noncurrent Assets</b>			
Capital Assets	2,635,760	111,752	2,747,512
Less: Accumulated Depreciation	(1,032,290)	(36,393)	(1,068,683)
<b>Total Noncurrent Assets</b>	<b>1,603,470</b>	<b>75,359</b>	<b>1,678,829</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Outflows, Pension Related	30,897	25,221	56,118
Deferred Outflows, OPEB Related	1,440	1,176	2,616
<b>Total Deferred Outflows of Resources</b>	<b>32,337</b>	<b>26,397</b>	<b>58,734</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>1,716,237</b>	<b>167,794</b>	<b>1,884,031</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	659	969	1,628
Accrued salaries and benefits	591	3,691	4,282
Other accrued liabilities	-	12,881	12,881
Accrued interest payable	349	-	349
Due to other Funds	286	41,966	42,252
Long-term liabilities, due in one year	5,856	-	5,856
Compensated absences, due in one year	-	-	-
<b>Total Current Liabilities</b>	<b>7,741</b>	<b>59,507</b>	<b>67,248</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	7,040	3,681	10,721
Long-term liabilities, due in more than one year	103,208	-	103,208
Net pension liability	91,016	74,295	165,311
Net OPEB liability	64,852	52,938	117,790
<b>Total Noncurrent Liabilities</b>	<b>266,116</b>	<b>130,914</b>	<b>397,030</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows, Pension Related	15,910	12,987	28,897
Deferred Inflows, OPEB Related	24,463	19,968	44,431
<b>Total Deferred Inflows of Resources</b>	<b>40,373</b>	<b>32,955</b>	<b>73,328</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>314,230</b>	<b>223,376</b>	<b>537,606</b>
<b>Net Position</b>			
Net investment in capital assets	1,494,406	75,358	1,569,764
Restricted for:			
Debt service	9,123	-	9,123
Replacement reserve	15,250	-	15,250
Total restricted net position	24,373	-	24,373
Unrestricted	(116,772)	(130,940)	(247,712)
<b>Total Net Position</b>	<b>\$ 1,402,007</b>	<b>\$ (55,582)</b>	<b>\$ 1,346,425</b>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Water and Sewer <u>Fund #503</u>	Bath House <u>Fund #505</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services:			
Waste water	\$ 106,736	\$ -	\$ 106,736
Bath house services	-	233,965	233,965
Miscellaneous /other	<u>2,869</u>	<u>25,545</u>	<u>28,414</u>
<i>Total operating revenues</i>	<u>109,605</u>	<u>259,510</u>	<u>369,115</u>
<b>Operating expenses:</b>			
Personnel services	76,520	97,512	174,032
Operating expenses	39,004	194,872	233,876
Depreciation	<u>76,032</u>	<u>1,364</u>	<u>77,396</u>
<i>Total operating expenses</i>	<u>191,556</u>	<u>293,748</u>	<u>485,304</u>
<i>Operating income (loss)</i>	<u>(81,951)</u>	<u>(34,238)</u>	<u>(116,189)</u>
<b>Non-operating revenues (expenses):</b>			
Grant income	-	-	-
Interest income	99	60	159
Interest expense	<u>(349)</u>	<u>-</u>	<u>(349)</u>
<i>Total non-operating revenues (expenses)</i>	<u>(250)</u>	<u>60</u>	<u>(190)</u>
<b>Income (loss) before transfers</b>			
Transfers in	-	-	-
Transfers out	<u>(9,123)</u>	<u>83,308</u>	<u>74,185</u>
<i>Change in net position</i>	(91,324)	49,129	(42,194)
Net position - beginning as restated	1,584,506	(30,287)	1,554,219
Prior period adjustment	(91,175)	(74,425)	(165,600)
<b>Total net position at beginning of year as restated</b>	<u>1,493,331</u>	<u>(104,712)</u>	<u>1,388,619</u>
<b>Total net position at end of year</b>	<u>\$ 1,402,007</u>	<u>\$ (55,582)</u>	<u>\$ 1,346,425</u>

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF CASHFLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Waste Water Fund	Bath House Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 187,101	\$ 278,878	\$ 465,979
Payments to employees	(56,810)	(115,533)	(172,343)
Payments to suppliers	(120,975)	(182,949)	(303,924)
<b>Net cash provided by operating activities</b>	<u>9,316</u>	<u>(19,604)</u>	<u>(10,288)</u>
Cash Flows From Non-Capital and Related Financing Activities			
State appropriation receipts	-	-	-
Transfer from other funds	(9,123)	83,308	74,185
<b>Net cash used by non-capital and related financing activities</b>	<u>(9,123)</u>	<u>83,308</u>	<u>74,185</u>
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	-	(61,518)	(61,518)
Principal paid on long-term debt	(5,685)	-	(5,685)
Interest paid on long-term debt	(2,939)	-	(2,939)
<b>Net cash used by capital and related financing activities</b>	<u>(8,624)</u>	<u>(61,518)</u>	<u>(70,142)</u>
Cash Flows from Investing Activities			
Interest and dividends received	99	60	159
<b>Net cash used in investing activities</b>	<u>99</u>	<u>60</u>	<u>159</u>
<b>Net change in cash and cash equivalents</b>	(8,332)	2,246	(6,086)
Cash and cash equivalents, beginning of year	84,898	33,833	118,731
<b>Cash and cash equivalents, end of year</b>	<u>\$ 76,566</u>	<u>\$ 36,079</u>	<u>\$ 112,645</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (81,951)	\$ (34,238)	\$ (116,189)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	76,032	1,364	77,396
(Increase) decrease in:			
Receivables	1,464	20,381	21,845
Inventory	-	(1,013)	(1,013)
Deferred outflows of resources - Pension	16,623	7,379	24,002
Deferred outflows of resources - OPEB	1,440	1,176	2,616
Increase (decrease) in:			
Accounts payable	2,484	11,923	14,407
Accrued liabilities	(231)	(472)	(703)
Other accrued liabilities	(440)	1,616	1,176
Due to other funds	(8,423)	-	(8,423)
Compensated absences	640	(958)	(318)
Net pension liability	32,480	1,125	33,605
Net OPEB liability	(64,852)	(52,938)	(117,790)
Deferred inflows of resources - pension	9,587	5,083	14,670
Deferred inflows of resources - OPEB	24,463	19,968	44,431
<b>Total adjustments</b>	<u>91,267</u>	<u>14,634</u>	<u>105,901</u>
<b>Net cash provided by operating activities</b>	<u>\$ 9,316</u>	<u>\$ (19,604)</u>	<u>\$ (10,288)</u>

*The accompanying notes are in integral part of these financial statements*

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2019

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>293</u>
<b>Total assets</b>	<u>293</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>293</u>
<b>Total liabilities</b>	\$ <u><u>293</u></u>

The accompanying notes are in integral part of these financial statements

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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 State of New Mexico Village of Jemez Springs (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, 2019

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, 2019

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting/Measurement Focus

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.

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.

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.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting/Measurement Focus

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 Fiduciary Assets and Liabilities. 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.

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 pur-

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

1. Summary of Significant Accounting Policies (continued)

C. Assets, Liabilities and Equity

Cash Equivalents (continued)

poses 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.

Reserve Requirements

The New Mexico Department of Finance and Administration (DFA) requires New Mexico municipalities to maintain a cash balance in the General Fund of at least 1/12<sup>th</sup> (8.33%) of the General Fund's budgeted expenditures in order to maintain adequate cash flow until the next significant property tax collection. The Village met and exceeded the State's cash reserve requirements. The General Fund's cash reserve at June 30, 2019 was \$104,240 which is 21% of the General Fund's final budget, exceeding the 1/12<sup>th</sup> reserve requirement.

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.

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, 2019

1. Summary of Significant Accounting Policies (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>
Construction in progress	Perpetuity
Buildings	39 - 40
Building and land improvements	10 - 39
Furniture, fixtures & equipment	5 - 25
Vehicles	5 - 10
Infrastructure	15 - 50

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

1. Summary of Significant Accounting Policies (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, 2019.

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 \$36,009 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. The Village has one type of item that qualifies for reporting in this category. Accordingly, the item deferred inflows of resources due to pension plan and OPEB is \$165,938, as reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.”

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

Compensated Absences

Full-time and regular part-time 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 and regular part-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.

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.

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*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.

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 un-restricted 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.

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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.

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 non-spendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

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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. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. 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.



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1. Summary of Significant Accounting Policies (continued)

H. 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 2016. For the year ended June 30, 2019, no interest or penalties were recorded or included in the financial statements.

I. 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.

J. Fund Balance for Subsequent Years Expenditures

According to New Mexico State Statute and the New Mexico Department of Finance and Administration (DFA), the Village of Jemez Springs is required to reserve 1/12<sup>th</sup> of the General Fund's budgeted expenditures (\$40,679) for subsequent year expenditures to maintain an adequate cash flow. The Village has incorporated this reserve requirement within its financial policies approved by the Village Council. These balances are reported as assigned to subsequent years expenditures in the General Fund. The Village is in compliance with these DFA requirements.

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.

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2. Stewardship, Compliance, and Accountability (continued)

3. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Fund, Capital Projects Fund, and Proprietary Fund.
4. Encumbrances are not reported in the budgets or financial statements.
5. The Village does not budget for depreciation expense.

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.

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, 2019 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.

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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 in the accompanying Schedule of Depositories.

The following is a summary of the Village's cash and cash equivalents balances by fund type as of June 30, 2019:

<u>Reconciliation of cash and cash equivalents</u>	<u>Balance</u>
Cash and cash equivalents	
Governmental funds	\$ 202,292
Business-type activities	88,272
Fiduciary funds	293
Total cash and equivalents	<u>\$ 290,857</u>
Restricted cash	
Business-type activities	<u>\$ 24,373</u>
Total restricted cash	<u>\$ 24,373</u>

*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.

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3. Cash and Cash Equivalents (continued)

As of June 30, 2019, the Village's bank balances of \$309,977 were exposed to custodial credit risk as follows:

Insured through federal depository insurance	\$ 309,977
Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the Villages's name	-
Uninsured and uncollateralized	-
Total deposits	<u>\$ 309,977</u>

4. Receivables

Receivables as of June 30, 2019 are as follows:

<u>Governmental Activities:</u>	<u>General Fund</u>	<u>Fire Protection Fund #209</u>	<u>Non-Major Funds</u>	<u>Total</u>
Accounts receivable:				
Grants	\$ 15,909	-	-	15,909
Other	-	-	-	-
Taxes:				
State	79,627	-	-	79,627
Less: Allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 95,536</u>	<u>-</u>	<u>-</u>	<u>95,536</u>

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4. Receivables (continued)

<u>Business-type Activities:</u>	<u>Waste Water Fund #503</u>	<u>Bath House Fund #505</u>	<u>Total</u>
Accounts receivable:			
Grants	\$ -	24,601	24,601
Other	11,132	-	11,132
Less: Allowance for uncollectible	<u>(7,268)</u>	<u>-</u>	<u>(7,268)</u>
Net receivables	<u>\$ 3,864</u>	<u>24,601</u>	<u>28,465</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.

5. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows.

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
<b>Governmental activities:</b>				
<u>Capital assets, not depreciated:</u>				
Land	\$ 413,584	\$ -	\$ -	\$ 413,584
Construction in progress	-	-	-	-
Total capital assets, not depreciated	<u>413,584</u>	<u>-</u>	<u>-</u>	<u>413,584</u>
<u>Capital assets being depreciated:</u>				
Buildings	1,258,080	-	-	1,258,080
Buildings and improvements	351,984	-	-	351,984
Furniture, fixtures, and equipment	106,282	-	-	106,282
Vehicles	605,363	-	-	605,363
Infrastructure	<u>2,369,380</u>	<u>-</u>	<u>-</u>	<u>2,369,380</u>
Total capital assets, depreciated	<u>4,691,089</u>	<u>-</u>	<u>-</u>	<u>4,691,089</u>
Less accumulated depreciation for:				
Buildings	(266,959)	(31,867)	-	(298,826)
Buildings and improvements	(172,624)	(16,069)	-	(188,693)
Furniture, fixtures, and equipment	(100,577)	(2,171)	-	(102,748)
Vehicles	(481,792)	(14,258)	-	(496,050)
Infrastructure	<u>(571,945)</u>	<u>(57,801)</u>	<u>-</u>	<u>(629,746)</u>
Total accumulated depreciation	<u>(1,593,897)</u>	<u>(122,166)</u>	<u>-</u>	<u>(1,716,063)</u>
Total capital assets, depreciated, net	<u>3,097,192</u>	<u>(122,166)</u>	<u>-</u>	<u>2,975,026</u>
<b>Total capital assets, net</b>	<u>\$ 3,510,776</u>	<u>\$ (122,166)</u>	<u>\$ -</u>	<u>\$ 3,388,610</u>

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5. Capital Assets (continued)

Land and construction in progress are not subject to depreciation. Depreciation expense for the year ended June 30, 2019 was charged to the following functions:

Governmental activities:	
General government	\$ 33,887
Public safety	45,331
Public works	15,549
Culture and recreation	<u>27,399</u>
Total depreciation expense	<u>\$ 122,166</u>

	Beginning	Increases	Decreases	Ending
<b>Business-type activities:</b>				
<u>Capital assets, not depreciated:</u>				
Land	\$ 15,125	\$ -	\$ -	\$ 15,125
Construction in progress	<u>9,169</u>	<u>61,518</u>	<u>-</u>	<u>70,687</u>
Total capital assets, not depreciated	<u>24,294</u>	<u>61,518</u>	<u>-</u>	<u>85,812</u>
<u>Capital assets being depreciated:</u>				
Buildings	1,480,635	-	-	1,480,635
Buildings and improvements	24,952	-	-	24,952
Furniture, fixtures, and equipment	458,193	-	-	458,193
Vehicles	25,980	-	-	25,980
Infrastructure	<u>671,940</u>	<u>-</u>	<u>-</u>	<u>671,940</u>
Total capital assets, depreciated	<u>2,661,700</u>	<u>-</u>	<u>-</u>	<u>2,661,700</u>
Less accumulated depreciation for:				
Buildings	(522,762)	(49,049)	-	(571,811)
Buildings and improvements	(18,917)	(1,365)	-	(20,282)
Furniture, fixtures, and equipment	(198,598)	(10,184)	-	(208,782)
Vehicles	(25,980)	-	-	(25,980)
Infrastructure	<u>(225,029)</u>	<u>(16,799)</u>	<u>-</u>	<u>(241,828)</u>
Total accumulated depreciation	<u>(991,286)</u>	<u>(77,397)</u>	<u>-</u>	<u>(1,068,683)</u>
Total capital assets, depreciated, net	<u>1,670,414</u>	<u>(77,397)</u>	<u>-</u>	<u>1,593,017</u>
<b>Total capital assets, net</b>	<u>\$ 1,694,708</u>	<u>\$ (15,879)</u>	<u>\$ -</u>	<u>\$ 1,678,829</u>

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6. Long-Term Debt

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Notes payable	\$ 74,014	\$ -	\$ (22,133)	\$ 51,881	\$ 10,092
Compensated absences	<u>12,623</u>	<u>18,043</u>	<u>(11,708)</u>	<u>18,958</u>	<u>18,043</u>
Total	<u>\$ 86,637</u>	<u>\$ 18,043</u>	<u>\$ (33,841)</u>	<u>\$ 70,839</u>	<u>\$ 28,135</u>
Business type activities:					
Notes payable	\$ 114,750	\$ -	\$ (5,685)	\$ 109,065	\$ 5,856
Compensated absences	<u>11,039</u>	<u>6,376</u>	<u>(6,694)</u>	<u>10,721</u>	<u>6,376</u>
Total	<u>\$ 125,789</u>	<u>\$ 6,376</u>	<u>\$ (12,379)</u>	<u>\$ 119,786</u>	<u>\$ 12,232</u>

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 2019.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2019 are as follows:

**Governmental activities**

Notes payable

NMFA – Brush Truck with Associated Equipment

On June 16, 2017, the Village borrowed \$70,529 from New Mexico Finance Authority (NMFA). The note matures on May 1, 2024, and accrues interest at 1.559643% per annum. The proceeds of the loan are to be used for the purchase of one brush truck with associated equipment to be used by the governmental unit's fire department. The payments of the principal are paid from pledged revenues of the fire protection funds. The revenues pledged totaled \$69,742 during the year ended June 30, 2019, and equal 16.18% of future estimated revenues at their current rate. During the year ended June 30, 2019, the City collected \$69,742 in pledged revenues, and retired \$10,896 in principal and interest on the aforementioned note.

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6. Long-Term Debt (continued)

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

Year Ending	Principal	Interest	Total
2020	10,092	804	10,896
2021	10,216	680	10,896
2022	10,358	538	10,896
2023	10,518	378	10,896
2024	10,697	198	10,895
	51,881	2,598	54,479

**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 net revenues pledged totaled \$9,123 at June 30, 2019, and equal 65.86% of future estimated net revenues at their current rate. During the year ended June 30, 2019, the Village collected \$109,605 in revenues, and retired \$9,123 in principal, interest, and administrative fees on the aforementioned note.

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

Year Ending	Principal	Interest	Admin	Total
2020	5,856	2,793	474	9,123
2021	6,031	2,643	449	9,123
2022	6,212	2,488	423	9,123
2023	6,399	2,329	396	9,124
2024	6,591	2,165	368	9,124
2025-2029	36,040	8,184	1,390	45,614
2030-2034	41,936	3,278	557	45,771
	109,065	23,880	4,057	137,002



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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. 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, 2019 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Major Governmental Funds:			
General Fund	\$ 29,000	61,653	32,653
Fire Protection Fund	17,000	27,440	10,440
Other Governmental Funds	<u>77,496</u>	<u>108,588</u>	<u>31,092</u>
Total Governmental Funds	<u>\$ 123,496</u>	<u>197,681</u>	<u>74,185</u>
Business-Type Funds:			
Waste Water Fund	\$ -	9,123	9,123
Bath House Fund	<u>83,308</u>	<u>-</u>	<u>(83,308)</u>
Total Business-Type Funds	<u>83,308</u>	<u>9,123</u>	<u>(74,185)</u>
Net Transfers	<u>\$ 206,804</u>	<u>206,804</u>	<u>-</u>

8. 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 June 30,</u>	<u>Amount</u>
2020		\$ 5,469
2021		<u>4,558</u>
		<u>\$ 10,027</u>

Rental payments charged to current operations for the year ended June 30, 2019 totaled \$5,648.

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9. 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, 2019 were \$82,689.

10. Pension Plan – Public Employee Retirement Association

**Plan description.** Public Employees Retirement 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 Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement 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), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

**Benefits provided.** Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

**TIER II.** The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

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10. Pension Plan – Public Employee Retirement Association (continued)

**Contributions.** See PERA’s compressive annual financial report for Contribution provided description

PERA Contribution Rates and Pension Factors as of July 1, 2017						
Coverage Plan	Employee Contribution %		Employer Contribution %	Pension Factor per year of Service		Pension Maximum as % of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
<b>STATE PLAN</b>						
State Plan 3	7.42%	8.92%	16.99%	3.00%	2.50%	90.00%
<b>MUNICIPAL PLANS 1 - 4</b>						
Municipal Plan 1(plan open to new employers)	7.00%	8.50%	7.40%	2.00%	2.00%	90%
Municipal Plan 2(plan open to new employers)	9.15%	10.65%	9.55%	2.50%	2.00%	90%
Municipal Plan 3(plan closed to new employers 6/95)	13.15%	14.65%	9.55%	3.00%	2.50%	90%
Municipal Plan 4(plan closed to new employers 6/00)	15.65%	17.15%	12.05%	3.00%	2.50%	90%
<b>MUNICIPAL POLICE PLANS 1 - 5</b>						
Municipal Police Plan 1	7.00%	8.50%	10.40%	2.00%	2.00%	90%
Municipal Police Plan 2	7.00%	8.50%	15.40%	2.50%	2.00%	90%
Municipal Police Plan 3	7.00%	8.50%	18.90%	2.50%	2.00%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.00%	2.50%	90%
Municipal Police Plan 5	16.30%	17.80%	18.90%	3.50%	3.00%	90%
<b>MUNICIPAL FIRE PLANS 1 - 5</b>						
Municipal Fire Plan 1	8.00%	9.50%	11.40%	2.00%	2.00%	90%
Municipal Fire Plan 2	8.00%	9.50%	17.90%	2.50%	2.00%	90%
Municipal Fire Plan 3	8.00%	9.50%	21.65%	2.50%	2.00%	90%
Municipal Fire Plan 4	12.80%	14.30%	21.65%	3.00%	2.50%	90%
Municipal Fire Plan 5	16.20%	17.70%	21.65%	3.50%	3.00%	90%
<b>MUNICIPAL DETENTION OFFICER PLAN 1</b>						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.00%	3.00%	90%
<b>STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.</b>						
State Police and Adult Correctional Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.00%	3.00%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.00%	3.00%	90%

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10. Pension Plan – Public Employee Retirement Association (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The Village of Cuba’s proportion of the net pension liability was based on a projection of the Village of Cuba’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**For PERA Fund Division Municipal General** at June 30, 2019, the Village reported a liability of \$285,393 for its proportionate share of the net pension liability. At June 30, 2018, the Village’s proportion was 0.0179 percent, which was a decrease of (0.0034) percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the Village recognized PERA Fund – General, pension income of \$534. At June 30, 2019, the Village reported PERA Fund Division – General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,248	\$ 7,493
Changes of assumptions	25,875	1,641
Net difference between projected and actual earnings on pension plan investments	21,166	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,762	40,215
Employer contributions subsequent to the measurement date	<u>24,321</u>	<u>-</u>
Total	<u>\$ 82,372</u>	<u>\$ 49,349</u>

\$5,769 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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10. Pension Plan – Public Employee Retirement Association (continued)

<u>Year ended June 30:</u>	<u>Amount</u>
2020	\$ 17,750
2021	(2,374)
2022	(7,633)
2023	959
Total	<u>\$ 8,702</u>

**For PERA Fund Division Municipal Police** at June 30, 2019, the Village reported a liability of \$88,699 for its proportionate share of the net pension liability. At June 30, 2019, the Village’s proportion was 0.0130 percent, which was an increase of 0.0012 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2018, the Village recognized PERA Fund – Municipal Police, pension expense of \$8,244. At June 30, 2019 the Village reported PERA Fund Division – General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,342	\$ 8,793
Changes of assumptions	10,121	542
Net difference between projected and actual earnings on pension plan investments	6,104	-
Changes in proportion and differences between contributions and proportionate share of contributions	18,285	6,707
Employer contributions subsequent to the measurement date	<u>5,769</u>	<u>-</u>
Total	<u>\$ 44,621</u>	<u>\$ 16,042</u>

STATE OF NEW MEXICO  
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10. Pension Plan – Public Employee Retirement Association (continued)

\$5,769 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2020	\$ 16,732
2021	1,995
2022	3,747
2023	<u>336</u>
Total	<u>\$ 22,810</u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA	
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year
smoothed Market Actuarial Assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll Growth	3.00%
Projected salary increases	3.25% to 13.25% annual rate
Includes inflation at	2.50%, 2.75% all other years
Mortality Assumption	RP-2000 Mortality Tables with projection to 2018 using Scale AA
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 20, 2018 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
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10. Pension Plan – Public Employee Retirement Association (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>ALL FUNDS - Asset Class</b>	<b>Target Allocation</b>	<i>Long-Term Expected Real Rate of</i> <b>Return</b>
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50	2.37
Credit Oriented Fixed Income	15.00	5.47
Real Assets	20.00	6.48
Total	100	

**Discount rate:** A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the Village’s proportionate share of the net pension liability to changes in the discount rate.** The following presents the Village’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage- point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

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10. Pension Plan – Public Employee Retirement Association (continued)

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
PERA Fund Division - General Division	<hr/>	<hr/>	<hr/>
Villages's proportionate share of the net pension liability	<u>\$ 439,771</u>	<u>\$ 285,393</u>	<u>\$ 157,774</u>
	<hr/>	<hr/>	<hr/>
PERA Fund Division - Police Division	<hr/>	<hr/>	<hr/>
Villages's proportionate share of the net pension liability	<u>\$ 136,383</u>	<u>\$ 88,699</u>	<u>\$ 49,826</u>

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued PERA'S financial reports.

**Payables to the pension plan.** At June 30, 2019 the Village had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2019.



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11. Other Post Employment Benefit Plan (OPEB)

General Information

**Plan description.** Employees of the Village are provided with OPEB through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

**Benefits provided.** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Employees covered by benefit terms** – At June 30, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	<u>156,025</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	<u>93,349</u>

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11. Other Post Employment Benefit Plan (OPEB), (continued)

**Contributions** – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the Village were \$5,919 for the year ended June 30, 2019.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2019, the Village reported a liability of \$266,554 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Village’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the Village’s proportion was 0.00613 percent.

For the year ended June 30, 2019, the Village recognized OPEB income of \$7,065. At June 30, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 15,782
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	3,326
Changes of Assumptions	-	49,764
Change in Proportion	-	31,674
Contributions made after the measurement date	5,919	-
	\$ 5,919	\$ 100,546

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11. Other Post Employment Benefit Plan (OPEB), (continued)

Deferred outflows of resources totaling \$5,919 represent Village contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

2020	\$	(24,210)
2021		(24,210)
2022		(24,210)
2023		(20,225)
2024		(7,691)
		\$ (100,546)

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB members; 2.25% for PERA members
Projected payroll increases	3.25% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

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11. Other Post Employment Benefit Plan (OPEB), (continued)

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-Term Rate of Return</u>
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

**Discount Rate.** The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
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11. Other Post Employment Benefit Plan (OPEB), (continued)

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the Village, as well as what the Village’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
322,593	266,554	222,383

The following presents the net OPEB liability of the Village, as well as what the Village’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rates	1% Increase
225,332	266,554	298,873

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018.

**Payable Changes in the Net OPEB Liability.** At June 30, 2019, the Village did not report a payable for outstanding contributions due to NMRHCA for the year ended.

11. Other Required Individual Fund Disclosures

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

Deficit Fund Balance

The following fund balance was a deficit balance as of June 30, 2019:

Fund	Fund Type	Amount
NM Clean & Beautiful Fund	Special Revenue	\$ 768
Bath House Fund	Proprietary	55,582

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
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12. Adjustments to Fund Balances

**Restatement**

The Village has recorded prior period adjustments in the governmental fund, Water and Sewer Fund, and Bath House Fund to allocate OPEB liabilities between the governmental and proprietary funds. A restatement of \$165,600 is reported on the Statement of Activities related to OPEB reclassification. \$56,554 was entries recorded by the predecessor auditor that did not reconcile to the Village's accounting records.

13. 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, 2019, 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.

14. Related Party Transactions

There are no related party transactions.

15. GASB 77 Disclosures (Tax Abatements)

In accordance with 2.2.2.10(BB NMAC, the Village is required to make certain disclosures surrounding GASB 77, as applicable. Management of the Village is not aware of any tax abatement agreements that existed and require disclosure as of June 30, 2019.

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16. Evaluation of Subsequent Events

The Village has evaluated subsequent events through June 5, 2020, the date which the financial statements were available to be issued.

COVID-19 – Subsequent to the year-end 2019, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. There have been mandates from international, federal, state and local authorities requiring forced closures of various schools, businesses and other facilities and organizations. These forced closures could negatively impact the Association’s business. While the closures and limitations on movement, domestically and internationally, are expected to be temporary, the duration of the supply chain disruption, and related financial impact, cannot be estimated at this time. Should the closures continue for an extended period of time or should the effects of the coronavirus continue to spread, the impact could have a material adverse effect on the Association’s financial position, results of operations and cash flows.

17. Subsequent Pronouncements

GASB 84

GASB Statement No. 84, *Fiduciary Activities*, has been issued and is effective for fiscal years ending on or after December 31, 2019, but is not yet effective at June 30, 2019.

GASB 85

GASB Statement No. 85 Omnibus 2018 address practice issues identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurements and application, and post-employment benefits. GASB 85 is effective for fiscal years beginning after June 15, 2018 (FY19).

GASB 87

GASB Statement No. 87, *Leases*, has been issued and is effective for reporting periods beginning after December 15, 2019, but is not yet effective at June 30, 2019.

The Village will implement the GASB pronouncements in the fiscal year no later than the required effective date. The Village believes that the above-listed new GASB pronouncements will not have a significant financial impact to the Village or in issuing its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN

Municipal General Division  
Last 10 Fiscal Years\*

	2019*	2018	2017	2016	2015
Village's proportion of the net pension liability	0.01790%	0.02130%	0.02290%	0.02210%	0.00930%
Village's proportionate share of the net pension liability	\$ 285,393	\$ 226,531	\$ 365,865	\$ 225,059	\$ 30,317
Village's covered payroll	\$ 307,732	\$ 207,346	\$ 242,494	\$ 264,491	\$ 13,462
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	92.74%	109.25%	150.88%	85.09%	225.20%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information in those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the statement's requirements became effective.

SCHEDULE OF CONTRIBUTIONS  
Public Employees Retirement Association (PERA) Plan  
Municipal General Division  
Last 10 Fiscal Years\*

	2019*	2018	2017	2016	2015
Statutory required contributions	22,772	15,240	17,945	19,575	16,788
Contribution in relations to the statutorily required contributions	(22,772)	(15,240)	(17,945)	(19,575)	(16,788)
Annual contribution deficiency (excess)	-	-	-	-	-
Cooperative's covered-employee payroll	307,732	207,346	242,494	264,491	306,752
Contribution as a percentage of covered-employee payroll	7.40%	7.35%	7.40%	7.40%	5.47%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information in those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the statement's requirements became effective.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY – RETIREE HEALTH CARE ACT

PERA Municipal Police Division  
Last 10 Fiscal Years\*

	<u>2019*</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.01300%	0.01180%	0.01380%	0.00320%	0.02120%
Village's proportionate share of the net pension liability	\$ 88,699	\$ 65,557	\$ 101,821	\$ 15,387	\$ 165,383
Village's covered payroll	\$ 72,185	\$ 50,194	\$ 44,232	\$ 51,923	\$ 306,752
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.88%	130.61%	230.20%	29.63%	53.91%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information in those years that information is available. Complete information for the Village is not available prior to fiscal year 2015, the statement's requirements became effective.

SCHEDULE OF CONTRIBUTIONS  
Public Employees Retirement Association (PERA) Plan  
PERA Municipal Police Division  
Last 10 Fiscal Years\*

	<u>2019*</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	7,507	5,220	4,600	5,400	1,230
Contribution in relations to the statutorily required contributions	(7,507)	(5,220)	(4,600)	(5,400)	(1,230)
Annual contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cooperative's covered-employee payroll	72,185	50,194	44,232	51,923	13,462
Contribution as a percentage of covered-employee payroll	10.40%	10.40%	10.40%	10.40%	9.14%

\* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information in those years that information is available. Complete information for the Cooperative is not available prior to fiscal year 2015, the statement's requirements became effective.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY – RETIREE HEALTH CARE ACT

Last 10 Fiscal Years\*

	<u>2019*</u>	<u>2018</u>
Employer's proportion of the net OPEB liability	0.00613%	0.00682%
Employer's proportionate share fo the net OPEB liability	\$ 266,554	\$ 309,060
Employer covered-employee payroll	\$ 282,192	\$ 284,097
Employer's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	94.46%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	11.34%

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

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
New Mexico Retiree Health Care Authority - Retiree Health Care Act  
Last 10 Fiscal Years\*

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY – RETIREE HEALTH CARE ACT

	<b>2019*</b>	<b>2018</b>
Contractually required contribution	\$ 5,919	\$ 10,869
Contributions in relation to the contractually required contribution	(10,870)	(10,869)
Contribution deficiency (excess)	\$ (4,951)	\$ -
Employer's covered-employee payroll	\$ 282,192	\$ 284,097
Contributions as a percentage of covered-employee payroll	2.10%	3.83%

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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY17 audit available at:

<http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-finance-reports/CAFR-2017.pdf>

***Assumptions.*** PERA of New Mexico Annual Actuarial Valuation as of June 30, 2017 report is available at:

[http://www.pera.org/assets/uploads/downloads/Retirement\\_Fund\\_Valuation\\_Reports/PERA-Valuation-6-30-2017-FINAL.pdf](http://www.pera.org/assets/uploads/downloads/Retirement_Fund_Valuation_Reports/PERA-Valuation-6-30-2017-FINAL.pdf).

***Changes of benefit terms.*** The Retiree Health Care Authority (RHCA) COLA and age eligibility benefits changes in recent years are described in the Notes to the RHCA FY18 audit available at:

<http://saonm.org>

***Assumptions.*** The Retiree Health Care Authority (RHCA) of New Mexico Biennial Actuarial Valuation as of June 30, 2017 report is available at <http://saonm.org>.

**SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

**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.

**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.

**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.

**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.

**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.

**Municipal Improvement Fund** - is used to track revenues and expenses related to the expansion of the Village's municipal complex.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Corrections Fund #201	EMS Fund #206	LEPF Fund #211	Library Fund #213
<b>Assets</b>				
Cash and cash equivalents	\$ 8,882	\$ 213	\$ 3,064	\$ 642
Taxes receivable	-	-	-	-
Court fines and fees receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
<b>Total Assets</b>	<u>\$ 8,882</u>	<u>\$ 213</u>	<u>\$ 3,064</u>	<u>\$ 642</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Insurance payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted for:				
Special revenue funds	8,882	213	3,064	642
Unassigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
<b>Total fund balance</b>	<u>8,882</u>	<u>213</u>	<u>3,064</u>	<u>642</u>
<b>Total liabilities and fund balance</b>	<u>\$ 8,882</u>	<u>\$ 213</u>	<u>\$ 3,064</u>	<u>\$ 642</u>

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Lodgers Tax Fund #214	Road Fund #216	Library County Bond Fund #218	Celebrations Fund #219
<b>Assets</b>				
Cash and cash equivalents	\$ 1,479	\$ 64,027	\$ -	\$ -
Taxes receivable	-	-	-	-
Court fines and fees receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,479</u>	<u>\$ 64,027</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Insurance payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted for:				
Special revenue funds	1,479	64,027	-	-
Unassigned				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
<b>Total fund balance</b>	<u>1,479</u>	<u>64,027</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 1,479</u>	<u>\$ 64,027</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Clean & Beautiful Fund #220	DWI Fund #221	Reserved Fund #300	Capital Projects Fund #305
<b>Assets</b>				
Cash and cash equivalents	\$ (768)	\$ 244	\$ -	\$ 301
Taxes receivable	-	-	-	-
Court fines and fees receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
<b>Total Assets</b>	<u>\$ (768)</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 301</u>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Insurance payable	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted for:				
Special revenue funds	-	244	-	301
Unassigned				
Special revenue funds	(768)	-	-	-
Debt service funds	-	-	-	-
<b>Total fund balance</b>	<u>(768)</u>	<u>244</u>	<u>-</u>	<u>301</u>
<b>Total liabilities and fund balance</b>	<u>\$ (768)</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 301</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Debt Service Fund #403	Total Nonmajor Governmental Funds
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 78,084
Taxes receivable	-	-
Court fines and fees receivable	-	-
Due from other funds	-	-
Other assets	-	-
<b>Total Assets</b>	\$ -	\$ 78,084
<b>Liabilities and fund balance</b>		
Liabilities:		
Accounts payable	\$ -	\$ -
Insurance payable	-	-
Accrued salaries and benefits	-	-
Due to other funds	-	-
Unearned revenue	-	-
<b>Total liabilities</b>	-	-
Fund balance:		
Restricted for:		
Special revenue funds	-	78,852
Unassigned		
Special revenue funds	-	(768)
Debt service funds	-	-
<b>Total fund balance</b>	-	78,084
<b>Total liabilities and fund balance</b>	\$ -	\$ 78,084

The notes to the financial statements are an integral part of this statement.

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, 2019

	<u>Corrections</u> <u>Fund #201</u>	<u>EMS</u> <u>Fund #206</u>	<u>LEPF</u> <u>Fund #211</u>	<u>Library</u> <u>Fund #213</u>
<b>Revenues:</b>				
<i>Local revenue</i>				
Licenses, fines & fees	\$ 3,740	\$ -	\$ -	\$ -
Miscellaneous charges for services	-	-	-	-
Interest	-	-	-	-
<i>State revenues</i>				
State fire allotment	-	-	-	-
Grants	-	-	-	-
Miscellaneous income	-	-	22,400	-
<i>Total revenues</i>	<u>3,740</u>	<u>-</u>	<u>22,400</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	9,120	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Debt service principal	-	-	-	-
Debt service interest and fees	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>9,120</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,740</u>	<u>-</u>	<u>13,280</u>	<u>-</u>
<b>Other financing uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(13,280)	-
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>(13,280)</u>	<u>-</u>
<i>Net change in fund balance</i>	3,740	-	-	-
<b>Fund balance (deficit) at beginning of the year</b>	<u>5,142</u>	<u>213</u>	<u>3,064</u>	<u>642</u>
<b>Fund balance at end of the year</b>	<u>\$ 8,882</u>	<u>\$ 213</u>	<u>\$ 3,064</u>	<u>\$ 642</u>

The notes to the financial statements are an integral part of this statement.

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, 2019

	<u>Lodgers Tax Fund #214</u>	<u>Road Fund #216</u>	<u>Library County Bond Fund #218</u>	<u>Celebrations Fund #219</u>
<b>Revenues:</b>				
<i>Local revenue</i>				
Licenses, fines & fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous charges for services	14,626	26,000	-	-
Interest	-	-	-	-
<i>State revenues</i>				
State fire allotment	-	-	-	-
Grants	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>14,626</u>	<u>26,000</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	17,225	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	20,918	-	-
Capital outlay	-	-	-	-
Debt service:				
Debt service principal	-	-	-	-
Debt service interest and fees	-	-	-	-
<i>Total expenditures</i>	<u>17,225</u>	<u>20,918</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,599)</u>	<u>5,082</u>	<u>-</u>	<u>-</u>
<b>Other financing uses:</b>				
Transfers In	1,450	12,000	-	-
Transfers Out	-	(12,000)	-	-
<b>Total other financing uses</b>	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(1,149)	5,082	-	-
<b>Fund balance (deficit) at beginning of the year</b>	<u>2,628</u>	<u>58,945</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ 1,479</u>	<u>\$ 64,027</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2019

	<u>Clean &amp; Beautiful Fund #220</u>	<u>DWI Fund #221</u>	<u>Reserved Fund #300</u>	<u>Capital Projects Fund #305</u>
<b>Revenues:</b>				
<i>Local revenue</i>				
Licenses, fines & fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous charges for services	-	-	-	-
Interest	-	-	-	-
<i>State revenues</i>				
State fire allotment	-	-	-	-
Grants	-	-	-	83,308
Miscellaneous income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,308</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	31,203
Debt service:				
Debt service principal	-	-	-	-
Debt service interest and fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,203</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,105</u>
<b>Other financing uses:</b>				
Transfers In	-	-	-	31,203
Transfers Out	-	-	-	(83,308)
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,105)</u>
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance (deficit) at beginning of the year</b>	<u>(768)</u>	<u>244</u>	<u>-</u>	<u>301</u>
<b>Fund balance at end of the year</b>	<u>\$ (768)</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 301</u>

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, 2019

	<u>Debt Service Fund #403</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>		
<i>Local revenue</i>		
Licenses, fines & fees	\$ -	\$ 3,740
Miscellaneous charges for services	-	40,626
Interest	-	-
<i>State revenues</i>		
State fire allotment	-	-
Grants	-	83,308
Miscellaneous income	-	22,400
<i>Total revenues</i>	-	150,074
<b>Expenditures:</b>		
Current:		
General government	-	17,225
Public safety	-	9,120
Culture and recreation	-	-
Public works	-	20,918
Capital Outlay	-	31,203
Debt service:		
Debt service principal	28,318	28,318
Debt service interest and fees	4,525	4,525
<i>Total expenditures</i>	32,843	111,309
<i>Excess (deficiency) of revenues over expenditures</i>	(32,843)	38,765
<b>Other financing uses:</b>		
Transfers In	32,843	77,496
Transfers Out	-	(108,588)
<b>Total other financing uses</b>	32,843	(31,092)
<i>Net change in fund balance</i>	-	7,673
<b>Fund balance (deficit) at beginning of the year</b>	-	70,411
<b>Fund balance at end of the year</b>	\$ -	\$ 78,084

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><i>MOTOR VEHICLE FUND:</i></b>				
ASSETS				
Cash	\$ 52	\$ -	\$ (52)	\$ -
Total assets	<u>52</u>	<u>-</u>	<u>(52)</u>	<u>-</u>
LIABILITIES				
Due to other entities	<u>52</u>	<u>-</u>	<u>(52)</u>	<u>-</u>
Total liabilities	<u>52</u>	<u>-</u>	<u>(52)</u>	<u>-</u>
<b><i>MUNICIPAL COURT FUND:</i></b>				
ASSETS				
Cash	<u>93</u>	<u>1,231</u>	<u>(1,617)</u>	<u>(293)</u>
Total assets	<u>93</u>	<u>1,231</u>	<u>(1,617)</u>	<u>(293)</u>
LIABILITIES				
Due to other entities	<u>93</u>	<u>1,231</u>	<u>(1,617)</u>	<u>(293)</u>
Total liabilities	<u>93</u>	<u>1,231</u>	<u>(1,617)</u>	<u>(293)</u>
ASSETS (TOTAL)				
CASH	<u>145</u>	<u>1,231</u>	<u>(1,669)</u>	<u>(293)</u>
TOTAL ASSETS	<u>145</u>	<u>1,231</u>	<u>(1,669)</u>	<u>(293)</u>
LIABILITIES (TOTAL)				
DUE TO OTHER ENTITIES	<u>145</u>	<u>1,231</u>	<u>(1,669)</u>	<u>(293)</u>
TOTAL LIABILITIES	<u>\$ 145</u>	<u>\$ 1,231</u>	<u>\$ (1,669)</u>	<u>\$ (293)</u>

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FUND BALANCE  
JUNE 30, 2019

	Major Funds			Total Funds
	General Fund	Special Revenue Fire Fund	Non-major Governmental Funds	
Fund balances:				
Nonspendable				
Prepaid expenses	\$ -	\$ -	\$ -	\$ -
Subtotal nonspendable funds	-	-	-	-
Restricted for:				
Road Improvements	-	-	64,027	64,027
Providing emergency medical services	-	-	213	213
Fire fighting efforts	-	19,968	-	19,968
Public safety and law enforcement efforts	-	-	12,190	12,190
Culture and recreation efforts	-	-	642	642
Capital projects	-	-	301	301
Economic development efforts	-	-	1,479	1,479
Subtotal restricted funds	-	19,968	78,852	98,820
Committed to:				
Subtotal committed funds	40,679	-	-	40,679
Assigned to:				
Subtotal assigned funds	-	-	-	-
Unassigned	173,833	-	(768)	173,065
	\$ 214,512	\$ 19,968	\$ 78,084	\$ 312,564

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF DEPOSITS  
JUNE 30, 2019

Account Name	Type	Jemez Valley Credit Union	Enterprise Bank & Trust	Plus Deposits in Transit	Less O/S Checks	Balance Per Books
General fund checking	Checking	\$ 26	-	-	-	26
Payroll clearing account	Checking	91	-	-	-	91
General fund checking	Checking	97,232	-	2,738	(17,959)	82,011
Savings account	Savings	146	-	-	-	146
Checking account	Checking	-	149,034	-	-	149,034
Waste water fund - reserve	Savings	52	-	-	-	52
Waste water checking	Checking	45,530	-	4,832	(1,832)	48,530
Bath house fund - reserve	Savings	25	-	-	-	25
Bath house checking	Checking	46,714	-	8,220	(20,264)	34,670
Motor vehicle savings	Savings	25	-	-	-	25
Motor vehicle checking	Checking	27	-	-	-	27
Petty cash						300
Total cash requirements		<u>189,868</u>	<u>149,034</u>	<u>15,790</u>	<u>(40,055)</u>	<u>314,937</u>
Total amount on deposit		189,868	149,034	15,790	(40,055)	314,937
FDIC coverage		(189,868)	(149,034)			
Total uninsured public funds		<u>-</u>	<u>-</u>			
50% collateral requirement (Section 6-10-17 NMSA-1978)		-	-			
Collateral provided		<u>-</u>	<u>-</u>			
Amount (over)/under collateralized		<u>\$ -</u>	<u>-</u>			

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2019

**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

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF SPECIAL, DEFICIENCY, SPECIFIC AND CAPITAL OUTLAY APPROPRIATIONS  
FOR THE YEAR ENDED JUNE 30, 2019

Description	<u>Appropriation #</u>	<u>Appropriation Period</u>	<u>Original Appropriation</u>	<u>Expenditures To Date</u>	<u>Outstanding Encumbrances</u>	<u>Unencumbered Balances</u>
Fund 89700						
Severance Tax Bonds Outstanding*						
Laws 2015, Chapter 3, Section 28	15-0845	07/01/2015 - 06/30/2020	90,000	90,000	-	-
Laws 2016, Chapter 81, Section 22	A2493	06/23/2016 - 06/30/2021	25,000	-	-	-
Total Amounts			\$ 115,000	90,000	-	-

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

Board of Trustees of the State of New Mexico Village of Jemez  
Springs and  
Mr. Brian S. Colon, Esq., New Mexico State Auditor

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 and capital projects funds of the Village of Jemez Springs, State of New Mexico (Village), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and the combining and individual funds of the Village, presented as supplemental information, and have issued our report thereon dated June 26, 2020.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We noted no deficiency described in the accompanying schedule of findings to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies. Finding: 2019-004.

### **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 2019-001, 2019-002, 2019-003, and 2019-005.

### **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.

*Baldwin Accounting & Consulting, LLC*

Baldwin Accounting & Consulting, LLC

June 26, 2020

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SUMMARY OF AUDIT RESULTS  
JUNE 30, 2019

**SUMMARY OF AUDIT RESULTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	Yes

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

<u>Prior Year Findings</u>	<u>Status</u>
2018-001 Controls Over Inventory - Finding that does not rise to the level of significant deficiency	Modified and repeated
2018-002 (2016-001) Controls Over Payroll – Other noncompliance	Modified and repeated
2018-003 Late Audit Report – Other noncompliance	Modified and repeated
2018–004 Controls Over Journal Entries – Significant deficiency	Resolved
2018–005 Intergovernmental Agreements – Significant deficiency	Modified and repeated
2018–006 Long Term Debt – Significant deficiency	Resolved
2018-007 (2016-002) Controls Over Fixed Assets - Other noncompliance	Resolved
2018-008 Controls Over Accounts Payable – Material weakness	Resolved
2018-009 Controls Over Budget – Significant deficiency	Resolved



STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

**CURRENT YEAR FINDINGS**

**2019-001 (2018-001) Controls Over Inventory – Finding that does not rise to the level of significant deficiency**

Condition: The Village has the following deficiencies over inventory controls:

- Lack of reconciliation between the inventory Point-of-Sale (POS) system and accounting software.

Management's Progress: Although the Village is working on this, there has been no significant progress.

Criteria: Model accounting practices necessitate the maintenance of accurate and complete accounting records. Section 6-6-3 (A) NMSA 1978 defines local public body duties to keep all the books, records and accounts in their respective offices in the form prescribed by the local government division.

Effect: Lack of inventory records increases the risk of material misstatement.

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

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

Response: The only enterprise that has inventory is the Bath House. The Bath House got a new POS system, and nobody remembered how to obtain the inventory report from the old system. A physical inventory was taken at FYE and this worksheet was provided to the auditors. However, this report was in excel spreadsheet form, not from the actual POS system. Effective July 1, 2018, the Village changed to a cloud-based inventory system. The Village Clerk will reconcile POS system to actual inventory in the accounting software. This finding is expected to be fully resolved in fiscal year 2020.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

**2019-002 (2018-002) Controls Over Payroll – Other noncompliance**

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

- For 7 of the 40 employees tested, there was no I-9 in the personnel file.
- For 8 of the 40 employees tested, the I-9 was not signed by an authorized employer representative
- For 3 of the 40 employees tested there was no W-4 form in the personnel file.

*Management's Progress:* The Village has made improvements in documenting approval of time sheets from previous years and is currently working on improving their record retention in the employees personnel file.

Criteria: Model accounting practices necessitate the maintenance of accurate and complete accounting records. Section 6-6-3 (A) NMSA 1978 defines local public body duties to keep all the books, records and accounts in their respective offices in the form prescribed by the local government division.

Effect: Lack of exemption forms and authorized deduction forms 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: The Village Clerk will obtain all forms needed immediately in the personnel file and will maintain all forms going forward. This finding is expected to be fully resolved by the end of the fiscal year 2020.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

**2019-003 (2018-003) Late Audit Report – Other noncompliance**

Condition: The audit for the year ended June 30, 2019 was not submitted to the state auditor’s office by the December 15, 2019 due date.

*Management’s Progress:* Although the Village is working on this, there has been no significant progress.

Criteria: By statute, Section 2.2.29 NMAC (State Auditor Rule), the deadline for submission of this report was December 15, 2019.

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.

Cause: Completion of the current year audit was delayed due to the general ledger not being reconciled to the 4<sup>th</sup> quarter budget to actual report, interfund transactions not reconciling between funds and capital outlay transactions being incorrectly recorded in multiple funds.

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

Response: The Village Clerk will work closely with the audit team to begin the audit earlier in the year in order to meet the deadline. This is expected to be fully resolved in fiscal year 2020.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

**2019-004 (2018-005) Intergovernmental Agreements – Significant deficiency**

Condition: During testing over receivables it was noted that the Village had accrued \$456 in administration fees due to the general fund from the waste water and bath house funds. The Village did not have a reciprocating payable in the waste water and bath house funds as the checks written to the general fund for the administrative fees were held subsequent to the fiscal year end.

Management's Progress: Although the Village is working on this, there has been no significant progress.

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

Effect: Funds were not in agreement for balances due.

Cause: Checks were not deposited timely and payables were not recorded correctly.

Recommendation: The Village should establish and implement procedures over intergovernmental administration fees and ensure that all checks are being deposited in a timely manner.

Response: The Village Clerk will implement procedures to book payables and receivables at FYE. This finding is expected to be fully resolved by fiscal year 2020.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2019

**2019-005 Travel and Per Diem Policy Violation - *Other Non-Compliance***

Condition: There were 2 of 11 instances where the Village paid in excess of the partial day per diem of \$30, by paying \$51 dollars.

Criteria: Sections 2.42.2.8 of the State Audit Rule, states that the per diem rates for travel by public officers and employees shall be computed for 12 hours or more beyond the normal work day of \$30.

Effect: The Village is not in compliance with the State Audit Rule relating to travel and per diem.

Cause: The Village has been incorrectly paying out partial day per diem.

Recommendation: The Village should obtain training on the travel and per diem policy to ensure they do not make the same mistake in the future.

Response: Management agrees with the finding. The Village will per diem according to the Village's policies. This finding will be fully resolved by fiscal year 2020.

STATE OF NEW MEXICO  
VILLAGE OF JEMEZ SPRINGS  
OTHER DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2019

**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 Baldwin Accounting & Consulting, 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 June 26, 2020. The following individuals were in attendance.

Village of Jemez Springs Officials

Roger Sweet, Mayor

Robert Wilson, Trustee

Yvonne Dickey, Village Clerk/Treasurer

Baldwin Accounting & Consulting, LLC

Lee Baldwin, CPA, CFE, CGFM Audit Director