

STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024



PATTILLO, BROWN & HILL, LLP

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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VILLAGE OF BOSQUE FARMS
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JUNE 30, 2024**

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VILLAGE OF BOSQUE FARMS
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VILLAGE OF BOSQUE FARMS, NEW MEXICO

List of Principal Officials June 30, 2024

Elected Officials

Chris Gillespie	Mayor
Ronita Wood	Councilor
Michael Cheromiah	Councilor
Erica DeSmet	Councilor
Tim Baughman	Councilor

Administrative Officials

Michael Limon	Clerk/Administrator
Yvonne Maes	Treasurer



Independent Auditor's Report

To Joseph M. Maestas, P.E., CFE
New Mexico State Auditor

The Village Council
Village of Bosque Farms, New Mexico

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Village of Bosque Farms (the "Village"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Village, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Village's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Schedules of the Village's Proportionate Share of the Net Pension Liability and Net OPEB Liability*, and *Schedules of Village Contributions* on pages 46 – 51 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 sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required

by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons that collectively comprises the Village's basic financial statements. The supplementary information listed in the Table of Contents as 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 supplementary information listed in the Table of Contents as 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 supplementary information listed in the Table of Contents as required by 2.2.2 NMAC, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 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 the Village's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
December 13, 2024

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 4,472,406	2,913,116	7,385,522
Receivables:			
Taxes:			
Gross receipts	554,115	-	554,115
Gasoline	8,408	-	8,408
Motor vehicle	2,643	-	2,643
Property	16,423	-	16,423
Franchise	33,832	-	33,832
Cannabis	1,746	-	1,746
Grants	100,000	-	100,000
Other	6,659	-	6,659
Accounts receivable, net of allowance	-	790,629	790,629
Noncurrent:			
Restricted Cash	-	104,831	104,831
Capital assets, net of accumulated depreciation	7,352,915	10,997,665	18,350,580
Total assets	12,549,147	14,806,241	27,355,388
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension related	800,667	88,963	889,630
Deferred outflows - OPEB related	136,046	17,200	153,246
Total deferred outflows of resources	936,713	106,163	1,042,876

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Current:			
Accounts payable	40,592	242,321	282,913
Accrued compensation and benefits	32,582	2,247	34,829
Interest payable	-	3,779	3,779
Deposits payable	-	52,125	52,125
Unearned revenue	-	206,110	206,110
Compensated absences, due in one year	42,907	2,580	45,487
Long-term liabilities, due in one year	-	63,348	63,348
Noncurrent:			
Long-term liabilities, due in more than one year	-	1,014,774	1,014,774
Net pension liability	3,355,297	372,810	3,728,107
Other post employment benefit liability	392,291	49,596	441,887
Total liabilities	3,863,669	2,009,690	5,873,359
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions related	187,915	20,878	208,793
Deferred inflows - OPEB	555,020	70,168	625,188
Total deferred inflows of resources	742,935	91,046	833,981
NET POSITION			
Net investment in capital assets	7,352,915	9,919,543	17,272,458
Restricted for debt service	-	104,831	104,831
Unrestricted	1,526,341	2,787,294	4,313,635
Total net position	\$ 8,879,256	12,811,668	21,690,924

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 720,134	157,830	591,547	-
Public safety	2,806,143	14,278	315,894	-
Highway and streets	455,429	-	-	118,698
Culture and recreation	236,098	-	-	-
Total governmental activities	4,217,804	172,108	907,441	118,698
Business-type activities:				
Wastewater	1,096,282	840,679	-	-
Water	571,240	828,620	644,743	-
Total business-type activities	1,667,522	1,669,299	644,743	-
Total primary government	5,885,326	1,841,407	1,552,184	118,698
General Revenues:				
Property taxes				
Gross receipts taxes				
Other Taxes				
Joint Powers Agreement				
Miscellaneous				
Interest income (expense)				
Transfers, net				
Total general revenues, transfers and reversions to other governments				
Change in net position				
Net position, beginning				
Net position, ending				

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
29,243	-	29,243
(2,475,971)	-	(2,475,971)
(336,731)	-	(336,731)
(236,098)	-	(236,098)
(3,019,557)	-	(3,019,557)
-	(255,603)	(255,603)
-	902,123	902,123
-	646,520	646,520
(3,019,557)	646,520	(2,373,037)
325,644	-	325,644
2,714,028	-	2,714,028
331,602	-	331,602
409,000	-	409,000
136,980	166	137,146
9,430	(7,129)	2,301
-	-	-
3,926,684	(6,963)	3,919,721
907,127	639,557	1,546,684
7,972,129	12,172,111	20,144,240
\$ 8,879,256	12,811,668	21,690,924

STATE OF NEW MEXICO
Village of Bosque Farms
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,244,869	32	1,227,505	4,472,406
Receivables:				
Taxes:				
Gross receipts	516,103	-	38,012	554,115
Gasoline	-	-	8,408	8,408
Motor vehicle	2,643	-	-	2,643
Property	16,423	-	-	16,423
Franchise	33,832	-	-	33,832
Cannabis	-	-	1,746	1,746
Grants	-	100,000	-	100,000
Other	6,659	-	-	6,659
Total assets	\$ 3,820,529	100,032	1,275,671	5,196,232
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 23,352	-	17,240	40,592
Accrued compensation and benefits	32,582	-	-	32,582
Total liabilities	55,934	-	17,240	73,174
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	12,179	-	-	12,179
Total deferred inflows of resources	12,179	-	-	12,179
FUND BALANCES				
Restricted for:				
Special revenue funds	-	100,032	1,258,431	1,358,463
Minimum fund balance	333,086	-	-	333,086
Unassigned:				
General fund	3,419,330	-	-	3,419,330
Total fund balances	3,752,416	100,032	1,258,431	5,110,879
Total liabilities and fund balances	\$ 3,820,529	100,032	1,275,671	5,196,232

STATE OF NEW MEXICO
Village of Bosque Farms
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Fund balances - total governmental funds	\$ 5,110,879
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,352,915
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities consists of:	
Compensated absences	(42,907)
Net pension liability	(3,355,297)
Other post employment benefit liability	(392,291)
Deferred inflows of resources related to the property taxes are not received in the current period and, therefore, are not reported as revenue in the governmental funds.	12,179
Deferred outflows of resources related to pension are not due and payable in the current period and, therefore, are not reported in the governmental funds.	800,667
Deferred outflows of resources related to OPEB are not due and payable in the current period and, therefore, are not reported in the governmental funds.	136,046
Deferred inflows of resources related to pension are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(187,915)
Deferred inflows of resources related to OPEB are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(555,020)</u>
<i>Net Position of Governmental Activities</i>	\$ <u><u>8,879,256</u></u>

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2024

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 324,714	-	-	324,714
Gross receipts	2,658,831	-	55,197	2,714,028
Other	131,042	-	200,560	331,602
Licenses, permits, fees, and fines	157,830	-	14,278	172,108
From federal sources:				
Grants	5,878	-	193,525	199,403
From non-federal sources				
Grants	35,640	118,698	-	154,338
Intergovernmental	550,029	-	122,369	672,398
Joint power agreements	400,000	-	9,000	409,000
Interest	9,430	-	-	9,430
Miscellaneous	112,691	-	24,289	136,980
Total revenue	4,386,085	118,698	619,218	5,124,001
EXPENDITURES				
Current:				
General government	682,501	-	-	682,501
Public safety	1,739,753	-	642,279	2,382,032
Highway and streets	254,473	-	-	254,473
Culture and recreation	199,159	-	-	199,159
Capital outlay	78,795	100,000	334,429	513,224
Total expenditures	2,954,681	100,000	976,708	4,031,389
Deficiency of revenues over expenditures before other financings sources	1,431,404	18,698	(357,490)	1,092,612
Other Financing Sources (Uses)				
Transfers in	538,698	100,000	199,684	838,382
Transfers out	(299,684)	(538,698)	-	(838,382)
Total other financing sources (uses)	239,014	(438,698)	199,684	-
NET CHANGE IN FUND BALANCES	1,670,418	(420,000)	(157,806)	1,092,612
FUND BALANCES - BEGINNING	2,081,998	520,032	1,416,237	4,018,267
FUND BALANCES - ENDING	\$ 3,752,416	100,032	1,258,431	5,110,879

STATE OF NEW MEXICO
Village of Bosque Farms
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2024

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

Net Change in fund balances - total governmental funds	\$ 1,092,612
Governmental funds report capital outlays as expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense exceeded capital outlay in the current period.	
Depreciation expense	(621,842)
Capital outlay	487,116
Loss on disposition of capital assets	-
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	930
Accrued compensated absences are expensed under the accrual method, and not the modified accrual method	24,942
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:	
Changes in net pension liability and the related deferred inflows and deferred inflows of resources related to pensions.	(230,929)
Change in the OPEB liability and the related deferred inflows and deferred inflows of resources related to OPEB.	<u>154,298</u>
Change in Net Position of Governmental Activities	\$ <u>907,127</u>

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund Budget (Non-GAAP Budgetary Basis) and Actual
June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,763,300	2,763,300	3,022,043	258,743
Licenses, permits, fees, and fines	75,950	75,950	160,706	84,756
Grants	300,000	300,000	41,777	(258,223)
Intergovernmental	539,741	539,741	550,029	10,288
Joint powers agreements	-	-	400,000	400,000
Interest	-	-	9,430	9,430
Miscellaneous	76,300	76,300	135,649	59,349
Total revenue	<u>3,755,291</u>	<u>3,755,291</u>	<u>4,319,634</u>	<u>564,343</u>
EXPENDITURES				
General government	687,569	688,654	669,763	18,891
Public safety	2,344,822	2,304,149	1,750,263	553,886
Highways and streets	602,081	590,592	254,473	336,119
Culture and recreation	165,951	169,468	213,737	(44,269)
Capital outlay	-	-	78,795	(78,795)
Total expenditures	<u>3,800,423</u>	<u>3,752,863</u>	<u>2,967,031</u>	<u>785,832</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(45,132)	2,428	1,352,603	(221,489)
<i>Other financing sources (uses)</i>				
Transfers in	2,249,801	2,249,801	538,698	(1,711,103)
Transfers out	-	-	(299,684)	(299,684)
Total other financing sources (uses)	<u>2,249,801</u>	<u>2,249,801</u>	<u>239,014</u>	<u>(2,010,787)</u>
<i>Net change in fund balance</i>	<u>2,204,669</u>	<u>2,252,229</u>	<u>1,591,617</u>	<u>(2,232,276)</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>			1,591,617	
Adjustments to revenues			66,451	
Adjustments to expenditures			<u>12,350</u>	
Net change in fund balance (GAAP)			<u>\$ 1,670,418</u>	

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Wastewater	Water	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 795,594	2,117,522	2,913,116
Accounts receivable, net	74,022	716,607	790,629
Restricted cash	100,105	4,726	104,831
Total current assets	969,721	2,838,855	3,808,576
Capital Assets, net of accumulated depreciation	8,936,362	2,061,303	10,997,665
Total assets	9,906,083	4,900,158	14,806,241
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension related	35,585	53,378	88,963
Deferred outflows - OPEB related	6,884	10,316	17,200
Total deferred outflows of resources	42,469	63,694	106,163

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Wastewater	Water	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 236,717	5,604	242,321
Accrued compensation and benefits	618	1,629	2,247
Interest payable	2,507	1,272	3,779
Deposits payable	-	52,125	52,125
Compensated absences	-	2,580	2,580
Loans payable	-	17,696	17,696
Bonds payable	45,652	-	45,652
Total current liabilities	285,494	80,906	366,400
Noncurrent liabilities:			
Loans payable	-	197,629	197,629
Bonds payable	817,145	-	817,145
Net pension liability	149,124	223,686	372,810
Other post employment benefit liability	19,849	29,747	49,596
Unearned revenue	206,110	-	206,110
Total noncurrent liabilities	1,192,228	451,062	1,643,290
Total liabilities	1,477,722	531,968	2,009,690
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension related	8,351	12,527	20,878
Deferred inflows - OPEB	28,082	42,086	70,168
Total deferred inflows of resources	36,433	54,613	91,046
NET POSITION			
Net investment in capital assets	8,073,565	1,845,978	9,919,543
Restricted for debt service	100,105	4,726	104,831
Unrestricted	260,727	2,526,567	2,787,294
Total net position	\$ 8,434,397	4,377,271	12,811,668

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type		
	Activities - Enterprise Funds		
	Wastewater	Water	Total
OPERATING REVENUES			
Sales and Services	\$ 840,679	828,620	1,669,299
Total operating revenues	<u>840,679</u>	<u>828,620</u>	<u>1,669,299</u>
OPERATING EXPENSES			
Operating expenses	566,793	437,629	1,004,422
Depreciation	529,489	133,611	663,100
Total operating expenses	<u>1,096,282</u>	<u>571,240</u>	<u>1,667,522</u>
Operating income (loss)	<u>(255,603)</u>	<u>257,380</u>	<u>1,777</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	4,099	24,617	28,716
interest expense	(31,141)	(4,704)	(35,845)
Grants	-	644,743	644,743
Other income	166	-	166
Total non-operating revenues (expenses)	<u>(26,876)</u>	<u>664,656</u>	<u>637,780</u>
CHANGE IN NET POSITION	<u>(282,479)</u>	<u>922,036</u>	<u>639,557</u>
NET POSITION - BEGINNING	<u>8,716,876</u>	<u>3,455,235</u>	<u>12,172,111</u>
NET POSITION - END OF YEAR	<u>\$ 8,434,397</u>	<u>4,377,271</u>	<u>12,811,668</u>

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Cash Flows
Proprietary Funds
June 30, 2024

	Business-Type		
	Activities - Enterprise Funds		
	Wastewater	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,364,764	944,442	2,309,206
Cash payments to vendors and employees	(689,131)	(1,197,753)	(1,886,884)
Net cash provided (used) by operating activities	675,633	(253,311)	422,322
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Other income	166	-	166
Net cash provided by noncapital financing activities	166	-	166
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(571,724)	(708,183)	(1,279,907)
Grant receipts	-	644,743	644,743
Principle payment on bonds	(44,591)	-	(44,591)
Interest payment on bonds	(31,141)	-	(31,141)
Principle payment on loans	-	(17,348)	(17,348)
Interest payment on loans	-	(4,704)	(4,704)
Net cash provided by noncapital financing activities	(647,456)	(85,492)	(732,948)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	4,099	24,617	28,716
Net cash provided by investing activities	4,099	24,617	28,716
Net change in cash and cash equivalents	32,442	(314,186)	(281,744)
Cash and cash equivalents, beginning	863,257	2,436,434	3,299,691
Cash and cash equivalents, ending	\$ 895,699	2,122,248	3,017,947

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Cash Flows
Proprietary Funds
June 30, 2024

	Business-Type		
	Activities - Enterprise Funds		
	Wastewater	Water	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (255,603)	257,380	1,777
Noncash items			
Depreciation expense	529,489	133,611	663,100
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities:			
Accounts receivable	170,109	(646,547)	(476,438)
Deferred outflows of resources:			
Pensions	(8,759)	(13,139)	(21,898)
Other post employment benefits	3,541	5,307	8,848
Accounts payable	233,553	2,386	235,939
Accrued compensation and benefits	(1,152)	(1,610)	(2,762)
Deposits payable	-	675	675
Compensated absences	(3,131)	(2,950)	(6,081)
Net pension liability	13,996	20,994	34,990
Other post employment benefit liability	(10,419)	(15,615)	(26,034)
Accrued interest	(88)	50	(38)
Deferred inflows of resources:			
Pensions	5,026	7,539	12,565
Other post employment benefits	(929)	(1,392)	(2,321)
Net cash provided (used)			
by operating activities	\$ <u>675,633</u>	<u>(253,311)</u>	<u>422,322</u>

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Current:	
Cash and cash equivalents	\$ 3,210,610
Receivables:	
Gross receipts	732,180
Grant	1,028
Other	103,477
Noncurrent:	
Capital assets:	
Construction in progress	263,484
Total assets	\$ <u><u>4,310,779</u></u>
LIABILITIES	
Accounts payable	\$ <u>244,094</u>
Total liabilities	<u><u>244,094</u></u>
NET POSITION	
Net position	4,066,685
Total liabilities	\$ <u><u>4,066,685</u></u>

STATE OF NEW MEXICO
Village of Bosque Farms
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
VRECC	
ADDITIONS	
Charges for services	\$ <u>4,739,925</u>
Total increases	<u>4,739,925</u>
DEDUCTIONS	
Public safety	<u>3,527,857</u>
Total decreases	<u>3,527,857</u>
Net increase (decrease) in fiduciary net position	1,212,068
Net position, beginning	<u>2,854,617</u>
Net position, ending	\$ <u><u>4,066,685</u></u>

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity. The Village of Bosque Farms (Village) was incorporated in 1974 under the laws of the State of New Mexico. The Village operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, education, public improvements, and general administrative services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

A. Financial Reporting Entity

As required by GAAP, financial statements are presented for the Village and its component units. A legally separate organization that does not qualify as a primary government is a potential component unit. The normal criterion for deciding whether a potential component unit is, in fact, a component unit is financial accountability. Financial accountability is determined by analyzing fiscal dependency, board appointments, financial benefit or burden relationships, or the ability of the primary government to impose its will on the potential component unit. Based on these criteria, the Village has no component units.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* 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*.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Custodial funds account for resources held on behalf of third-party entities and is recognized when collected or distributed.

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. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principle ongoing operations.

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

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

The Village follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

Derived tax revenues are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax, gasoline taxes, and cigarette taxes.

Imposed nonexchange revenues – property taxes are levied and collected by the Valencia County treasurer on behalf of the Village. The taxes are levied in November and payable in two installments, November 10th and May 10th. The County remits to the Village a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

Imposed nonexchange revenue other than property taxes are recognized in the period when an enforceable legal claim has arisen and the resources are available.

Government-mandated nonexchange transactions and voluntary nonexchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Village reports unavailable revenue on its combined balance sheet. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the Village before it has legal claim to the resources, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The Village reports the following major governmental funds:

General Fund. The general fund is the Village’s primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund. To account for revenues and expenses related to capital projects. Authority is by Village Ordinance.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds are accounted for on the flow of economic resources measurement focus (all assets and all liabilities associated with the operation of these funds are included on the balance sheet) and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The Village reports the following major proprietary funds:

Waste Water. To account for the provision of waste water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance billing, and collection.

Water. To account for the provisions of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund. Financing is provided through charges to customers for service.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village of Bosque Farms' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village of Bosque Farms has the following types of custodial funds to account for revenues billed and collected or property taxes levied and collected by the Village on behalf of the following:

- **Regional Dispatch Fund.** To track incurred for operating, administering and maintain a joint enhanced 911 Regional Communication Center in Valencia County. The Valencia County Regional Emergency Communications Center (VRECC) was established by a Joint Powers Agreement between the City of Belen, the Village of Los Lunas, the Village of Bosque Farms, and Valencia County on June 6, 2006, and revised on June 19, 2016, to include partnerships with the Town of Peralta, the City of Rio Communities and American Medical Response (AMR) ambulance service.

B. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, money market funds, and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

The Village does not have an investment policy. Village funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
3. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.
4. Investments in the New Mexico State Treasurer external investment pool (Local Government investment Pool).

C. Capital Assets

Capital assets, which include software, library books, 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 Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Governmental Accounting Standards Board (GASB) 34 *Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments* allows phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Village has elected to not retroactively record infrastructure assets.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	10 – 50 years
Buildings and structures	30 years
Machinery and equipment	5 – 50 years
Furniture and fixture	5 – 30 years
Infrastructure	5 – 50 years

Capital Assets in proprietary funds are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and other improvements	25 – 33 years
Water and sewer system	20 – 50 years
Machinery and equipment	5 – 10 years

The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

D. Intangible Assets

Under Statement of ASC 350, *Intangibles - Goodwill and Other*, intangible assets with indefinite lives are no longer amortized. Indefinite lived intangible assets, such as water rights, are tested for impairment on an annual basis. There were no intangible assets at year-end.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report 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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Pensions and OPEB – Deferred Inflows and Deferred Outflows or Resources

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 the payable in accordance with the benefit terms. Investments are reported at fair value.

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. Accrued Employee Benefits

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

H. Fund Balances

The Village follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Committed fund balance—amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Council). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Council or by an official or body to which the Village Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Village Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Council have provided otherwise in its commitment or assignment actions.

Major Funds

The Village's Capital Projects fund has fund balance restricted by grant documents.

Other Funds

Restricted Fund Balances. The Corrections, Fire Protection, Law Enforcement Protection, Lodger's Tax Reserve, Municipal Streets, Recreation, and Debt Service funds have fund balances restricted due to enabling legislation or debt agreements. The purpose of each fund and reference to the enabling legislation may be found on page 52.

I. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash Flows

For purposes of the Statement of Cash Flows, the various enterprise funds considers checking accounts, money market accounts, certificates of deposit, and highly liquid assets with a maturity of three months or less when purchased to be cash equivalents.

L. Budgetary Information

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, special revenue, capital projects, and enterprise funds.

The Village follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Village Administrator submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Village Hall to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the Village Council and New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, capital projects fund and enterprise funds.
4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total. Appropriations lapse at year-end.

M. Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Minimum Fund Balance Policy

The Village's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the Village holds cash reserves of 1/12th the General Fund expenditures. The Village presented minimum fund balance on the governmental funds balance sheet in the amount of \$333,086 for the year ended June 30, 2024

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2. CASH

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name. As of June 30, 2024, the Village's bank balance total of \$11,031,642 was exposed to credit risk in the amount of \$10,781,642 as follows:

Uninsured and collateral held by pledging bank's trust department not in the Village's name	\$ <u>5,787,575</u>
Uninsured and collateralized	\$ <u>4,744,067</u>

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Village is required to collateralize an amount equal to one-half of the public money in excess of federally insured balances at each financial institution.

The total balance in any single financial institution may at times exceed the FDIC coverage available to deposits. The Village is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

NOTE 3. ACCOUNTS RECEIVABLE – PROPRIETARY FUNDS

Accounts receivable represents billings for water and waste water services and fees. It is management's policy to cut off water and waste water services for non-payment. A lien is placed on the properties which have outstanding water bills.

Accounts receivable is comprised of the following at June 30, 2024:

	Waste Water	Water	Total
Accounts receivable	\$ 71,789	81,935	153,724
Other receivables	3,808	647,316	651,124
Allowance for uncollectable accounts	<u>(1,575)</u>	<u>(12,644)</u>	<u>(14,219)</u>
Accounts receivable, net of allowance	\$ <u>74,022</u>	<u>716,607</u>	<u>790,629</u>

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4. CAPITAL ASSETS

Governmental fund capital asset activity for the year ending June 30, 2024 was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Land	\$ 1,172,097	-	-	1,172,097
CIP	6,396	237,128	-	243,524
Total not depreciated assets	<u>1,178,493</u>	<u>237,128</u>	<u>-</u>	<u>1,415,621</u>
Capital assets, depreciated				
Buildings and improvements	3,837,252	19,247	-	3,856,499
Vehicles	2,72,453	153,586	-	2,876,039
Machinery, equipment, and furniture	1,840,492	77,155	-	1,917,647
Infrastructure	5,460,968	-	-	5,460,968
Total capital assets, depreciated	<u>13,861,165</u>	<u>249,988</u>	<u>-</u>	<u>14,111,153</u>
Accumulated depreciation				
Buildings and improvements	2,922,514	151,527	-	3,074,041
Vehicles	1,388,426	235,683	-	1,624,109
Machinery, equipment, and furniture	1,369,718	74,407	-	1,444,125
Infrastructure	1,871,359	160,225	-	2,031,584
Total accumulated depreciation	<u>7,552,017</u>	<u>621,842</u>	<u>-</u>	<u>8,173,859</u>
Total capital assets, depreciated, net	<u>6,309,148</u>	<u>(371,854)</u>	<u>-</u>	<u>5,937,294</u>
Total capital assets, depreciated and not depreciated, net	\$ <u>7,487,641</u>	<u>(134,726)</u>	<u>-</u>	<u>7,352,915</u>

Depreciation expense was charged to functions of the Village's governmental funds as follows:

General government	\$ 35,043
Public safety	358,488
Highway and streets	192,859
Culture and recreation	35,452
Total	<u>\$ 621,842</u>

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4. CAPITAL ASSETS (CONTINUED)

Enterprise fund capital asset activity for the year ending June 30, 2024 was as follows:

Business-type Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Land – Waste Water	\$ 1,154,573	-	-	1,154,573
Land – Sewer	14,137	-	-	14,137
Water rights	374,626	-	-	374,626
CIP – Waste Water	-	571,724	-	571,724
CIP – Sewer	-	708,183	-	708,183
Total capital assets, not depreciated	<u>1,543,336</u>	<u>1,279,907</u>	<u>-</u>	<u>2,823,243</u>
Capital assets, depreciated				
Waste Water:				
Buildings and systems	17,262,554	-	-	17,262,554
Vehicles	367,666	-	-	367,666
Machinery and equipment	1,055,121	-	-	1,055,121
Water:				
Buildings and system	2,956,403	-	-	2,956,403
Vehicles	21,117	-	-	21,117
Machinery and equipment	764,259	-	-	764,259
Total capital assets, depreciated	<u>22,427,120</u>	<u>-</u>	<u>-</u>	<u>22,427,120</u>
Accumulated depreciation				
Waste Water	10,945,787	529,489	-	11,475,276
Sewer	2,643,811	133,611	-	2,777,422
Total accumulated depreciation	<u>13,589,598</u>	<u>663,100</u>	<u>-</u>	<u>14,252,698</u>
Total capital assets, depreciated, net	<u>8,837,522</u>	<u>(663,100)</u>	<u>-</u>	<u>8,174,422</u>
Total capital assets, depreciated and not depreciated, net	<u>\$ 10,380,858</u>	<u>616,807</u>	<u>-</u>	<u>10,997,665</u>

NOTE 5. LONG-TERM OBLIGATIONS – GOVERNMENTAL FUNDS

During the year ended June 30, 2024, the following changes occurred:

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 67,849	(24,942)	42,907	42,907
Total	<u>\$ 67,849</u>	<u>(24,942)</u>	<u>42,907</u>	<u>42,907</u>

Accrued Compensated Absences. Employees accrue either eight or ten hours per pay period depending on if the employee has been with the village less than or more than ten years, respectively. The maximum number of annual leave hours which may be accrued is 120 hours. Compensated absence balances have been liquidated with general fund money in prior years. Village employees accrue vacation leave as follows:

<u>Total Years of Village Service</u>	<u>Yearly Accumulation</u>
0 – 10 (inclusive)	96 hours
11 – or more	120 hours

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS

During the year ended June 30, 2024, the following changes occurred:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	\$ 8,661	(6,081)	2,580	2,580
Total	<u>\$ 8,661</u>	<u>(6,081)</u>	<u>2,580</u>	<u>2,580</u>

	Beginning Balance	Additions	Deletions/ Payments	Ending Balance	Due Within One Year
Notes payable	\$ 232,673	-	(17,348)	215,325	17,696
Bonds payable	907,388	-	(44,591)	862,797	45,652
Total	<u>\$ 1,140,061</u>	<u>-</u>	<u>(61,939)</u>	<u>1,078,122</u>	<u>63,348</u>

Notes Payable from Direct Borrowings. During the year ended June 30, 2018, the Village entered into a construction loan and subsidy agreement in the amount of \$1,200,000. The loan was amended during the year ending June 30, 2021 to increase the amount of the loan to \$4,760,000. No proceeds have been received as of June 30, 2024.

During the year ended June 30, 2015, the Village entered into a construction loan and subsidy agreement in the amount of \$748,000. The subsidy is 25% of the loan and will be forgiven as loan funds are spent up to a maximum of \$188,870. The remaining amount is a loan in the amount of \$566,610. The proceeds were used for water infrastructure improvements.

The loan is to be paid in twenty yearly principal and interest payments of \$34,652 beginning in 2016. Interest accrues on the outstanding principal at 2.0%.

On May 1, 2016, the loan was converted to term loan in the amount of \$344,948. The term loan is to be paid in twenty yearly principal payments and semi-monthly interest payments of \$22,002 beginning May 1, 2017. Interest accrues on the outstanding principal at 2% and are payable solely from pledged net revenues of the water system. The revenues pledged totaled \$352,023 and equal 3.07% of future estimated net revenues at their current rate.

The future requirements for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 17,696	4,305	22,001
2026	18,049	3,952	22,001
2027	18,410	3,592	22,002
2028	18,778	3,224	22,002
2029	19,153	2,849	22,002
2030 – 2034	101,669	8,338	110,007
2035	21,570	431	22,001
	<u>\$ 215,325</u>	<u>26,691</u>	<u>242,016</u>

Bonds Payable. Pursuant to ordinance 2015-02, in October 2015 the Village issued \$1,224,161 in refunding bonds. The bonds carry a .45% to 3.88% interest rate and are payable solely from pledged net revenues of the sewer system. The revenues pledged totaled \$1,514,643 and equal 10.64% of future estimated net revenues at their current rate. During the year ended June 30, 2019, the Village collected \$711,565 in pledged revenues, and retired \$75,732 in principal and interest in the aforementioned bond. Interest payments are due in June and December of each year, and principal payments are due in June. Yearly principal and interest payments are \$75,732. The bonds mature in June 2039.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6. LONG-TERM DEBT - ENTERPRISE FUNDS (CONTINUED)

The future requirements for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 45,652	30,080	75,732
2026	46,794	28,938	75,732
2027	48,113	27,619	75,732
2028	49,557	26,176	75,733
2029	51,113	24,619	75,732
2030 – 2034	282,848	95,812	378,660
2035 – 2039	338,720	39,941	378,661
	<u>\$ 862,797</u>	<u>273,185</u>	<u>1,135,982</u>

NOTE 7. PROPERTY TAXES

Valencia County is responsible for assessing, collecting, and distributing property taxes for the Village. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by May 10 of the following year. Property taxes are delinquent if not paid by December 10 and June 10. Taxes on real property are lien on January 1 of the year for which the taxes are imposed.

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Transfers In	Transfer Out
General Fund	\$ 538,698	299,684
Street Fund	199,684	-
Capital Projects Fund	100,000	538,698
Total	<u>\$ 838,382</u>	<u>838,382</u>

The primary purpose of the transfers was to fund temporary operating shortfalls and fund reserve accounts.

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan description. The 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/Audit 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 PERA fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA), 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 PERA Fund, unless specifically excluded.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 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 5 or more years of service credit.

Generally, under Tier II pension factors were reduced by .5%, employee contributions 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.

Contributions. See PERA's annual comprehensive financial report for Contribution provided description.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

PERA Contribution Rates and Pension Factors in effect during FY23						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	10.42%	18.24%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	9.0%	8.15%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	11.15%	10.30%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	15.65%	10.30%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.65%	12.80%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 – 5						
Municipal Police Plan 1	7.0%	9.0%	11.15%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	9.0%	16.15%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	9.0%	19.65%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	14.35%	19.65%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	18.30%	19.65%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	11.50%	12.15%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	11.50%	18.65%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	11.50%	22.40%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	16.30%	22.40%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	19.70%	22.40%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	10.42%	18.74%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	7.78%	27.87%	3.0%	3.0%	90%

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the Village reported a liability of \$3,728,107 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2023 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2022. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2023. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

PERA Fund Municipal General Division. At June 30, 2024, the Village reported a liability of \$1,302,674 for its proportionate share of the net pension liability. At June 30, 2023, the Village's proportion was 0.06152%, which was a decrease of 0.00682%, from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Village recognized pension expense of \$132,228. At June 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,771	15,898
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	122,482	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	8,827	81,591
Village's contributions subsequent to the measurement date	<u>68,256</u>	<u>-</u>
Total	\$ <u>297,336</u>	<u>97,489</u>

\$68,256 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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>	
2025	\$ 35,708
2026	(15,018)
2027	99,748
2028	11,153
2029	-
Thereafter	-

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

PERA Fund Municipal Police Division. At June 30, 2024, the Village reported a liability of \$2,425,433 for its proportionate share of the net pension liability. At June 30, 2023, the Village's proportion was 0.25150%, which was a decrease of 0.01802%, from its proportion measured as of June 30, 2024.

For the year ended June 30, 2024, the Village recognized pension expense of \$328,494. At June 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 207,768	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	201,439	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	47,207	111,304
Village's contributions subsequent to the measurement date	<u>135,880</u>	<u>-</u>
Total	\$ <u>592,294</u>	<u>111,304</u>

\$135,880 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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>	
2025	\$ 122,132
2026	27,602
2027	176,984
2028	18,392
2029	-
Thereafter	-

Actuarial assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Amortization Method	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
Amortization Period	25 years
Actuarial assumptions	
Investment rate of return	7.25% annual rate, net of investment expense
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumption	The mortality assumptions are based on the RPD-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 20, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the Board use in the June 30, 2022 actuarial valuation.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.00%	6.90%
Risk Reduction & Mitigation	17.00%	3.90%
Credit Oriented Fixed Income	19.00%	6.00%
Real Assets	18.00%	7.00%
Multi-Risk Allocation	8.00%	0.61%
Total	100.0%	

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2023. 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 periods of projected benefit payments to determine the total pension liability.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipal General Division			
Village's proportionate share of the net pension liability	\$ 1,888,683	1,302,674	815,454
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipal Police Division			
Village's proportionate share of the net pension liability	\$ 3,492,824	2,425,433	1,551,717

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

Payables to the pension plan: At June 30, 2024 the Village had no outstanding contributions to the pension plan and therefore, had no payables reported as of June 30, 2024.

NOTE 10. OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)

Plan Description - Employees for 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, 2023, the Fund's measurement date, the following employees were covered by the benefit terms:

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
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JUNE 30, 2024**

NOTE 10. OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)

Plan membership	
Current retirees and surviving spouses	52,978
Inactive and eligible for deferred benefit	12,552
Current active members	93,595
	<u>159,125</u>
Active membership	
State general	18,462
State police and corrections	1,260
Municipal general	17,283
Municipal police	3,169
Municipal fire	2,419
Educational Retirement Board	51,002
	<u>93,595</u>

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 \$29,722 for the year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2024, the Village reported a liability of \$441,886 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Village's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2023. At June 30, 2023, the Village's proportion was 0.02595 percent.

For the year ended June 30, 2024, the Village recognized OPEB income of \$144,368. At June 30, 2024 the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,470	80,004
Changes in assumptions	85,039	416,846
Changes in proportion	21,849	128,338
Net difference between projected and actual earnings on OPEB plan investments	9,448	-
Employer contributions subsequent to the measurement date	29,439	-
Total	\$ 153,245	625,188

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10. OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)

Deferred outflows of resources totaling \$29,439 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, 2024. 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:		
2025	\$	(140,327)
2026		(97,429)
2027		(131,291)
2028		(90,829)
2029		(41,506)
Total	\$	<u>(501,382)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions:

Valuation date	June 30, 2023
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected payroll increases	3.00% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, 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 8.5% graded down to 4.5% over 16 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

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.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10. OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	1.6%
U.S. equity – large cap	6.9%
Non U.S. – emerging markets	8.7%
Non U.S. – developed equities	7.3%
Private equity	7.2%
Credit and structured finance	10.0%
Real estate	3.7%
Absolute return	3.6%
U.S. equity – small/mid cap	6.9%

Discount Rate – The discount rate used to measure the Fund’s total OPEB liability is 6.22% as of June 30, 2023. 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, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 6.22% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability, calculated using the discount rate of 6.22% as of June 30, 2023, 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 or 1-percentage-point higher than the current discount rate:

1% Decrease (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
\$ 557,109	441,886	348,486

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
\$ 365,836	441,886	529,226

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10. OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)

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, 2023.

Payables changes in the net OPEB liability. At June 30, 2024, the Village did not accrue any payables for OPEB.

NOTE 11. 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 and natural disasters for which the government carries commercial insurance. The Village participates in the State of New Mexico Self- Insurers Fund for workers' compensation claims and employers' liability insurance including general, auto, uninsured motorist, law enforcement, and public official's errors and omissions liabilities.

The policy limits for workers' compensation is unlimited and \$1,050,000 per occurrence for employer's liability. There is no deductible. Liability policy limits range from \$100,000 to \$750,000 per occurrence, with a \$4,000,000 annual aggregate per policy. Deductibles range from \$500 to \$5,000.

In addition, the Village has obtained insurance through a commercial carrier operating as a common risk management and insurance program for buildings, personal property, employee dishonesty, theft, burglar, fraud, terrorism, fine arts, and equipment breakdown. Limits range from \$10,000 to \$6,881,617, and deductibles range from \$2,500 to \$10,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with expendable available financial resources.

NOTE 12. TAX ABATEMENTS

In accordance with 2.2.2.10(BB) NMAC, the Village is required to make certain disclosures regarding GASB 77, as applicable. Management of the Village is not aware of any tax abatement agreements that exist and require disclosure as of June 30, 2024.

NOTE 13. RECENT ACCOUNTING PRONOUNCEMENTS

In April 2022, the GASB issued Statement No. 99, Omnibus 2022, with multiple effective dates as follows; (1) extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 24, as amended, and terminology updates related to Statement 53 and 63 are effective upon issuance. (2) The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (3) The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of this Statement had no effect on the Village's financial statements.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, effective for periods beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this Statement had no effect on the Village's financial statements.

NOTE 14. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2024.

GASB Statement No. 101, Compensated Absences

GASB Statement No. 102, Certain Risks Disclosures

GASB Statement No. 103, Financial Reporting Model Improvements

The Village will implement the new 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.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. The Village recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Village's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued.

The Village has evaluated subsequent events through December 13, 2024, the date the financial statements were available to be issued. Subsequent to year-end, the United States and global economies experienced significant declines resulting from uncertainty caused by the world-wide coronavirus pandemic. The effects of the pandemic on the future financial results of the Village are unknown.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF THE VILLAGES'S PROPORATIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024**

**Pension Liability
For Last 10 Fiscal Years
General Divisions**

Fiscal Year Measurement Date	30-Jun									
	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Village's Proportion of the Net Pension Liability (Asset)	0.6152%	0.0683%	0.0671%	0.0679%	0.0669%	0.0688%	0.0640%	0.0720%	0.0668%	0.0668%
Village's Proportionate Share of Net Pension Liability (Asset)	\$ 1,302,674	1,212,152	755,464	1,373,092	1,158,106	1,096,926	879,414	1,121,560	699,436	521,112
Village's Covered Payroll	\$ 633,314	629,700	629,659	665,008	585,618	580,762	562,367	603,447	568,728	404,873
Village's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	206%	192%	120%	206%	198%	189%	156%	186%	123%	129%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF THE VILLAGES'S PROPORATIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024**

**Pension Liability
For Last 10 Fiscal Years
Police Division**

Fiscal Year Measurement Date	30-Jun									
	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
Village's Proportion of the Net Pension Liability (Asset)	0.2515%	0.2695%	0.2533%	0.2692%	0.2588%	0.2697%	0.2791%	0.2791%	0.2683%	0.2789%
Village's Proportionate Share of Net Pension Liability (Asset)	\$ 2,425,433	2,166,050	1,310,109	2,312,078	1,911,675	1,840,175	1,500,583	2,059,282	1,290,137	909,184
Village's Covered Payroll	\$ 674,996	596,532	596,486	658,448	552,831	569,793	556,583	554,353	526,325	809,963
Village's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	359.33%	363.11%	219.64%	351.14%	345.80%	322.96%	269.61%	371.47%	245.12%	112.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF VILLAGE CONTRIBUTIONS
MUNICIPAL GENERAL DIVISION
JUNE 30, 2024**

**Last Ten Fiscal Years
General Division**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 68,256	66,252	65,163	58,996	58,266	55,926	55,463	53,706	57,629	54,230
Contributions in relation to the contractually required contribution	<u>68,256</u>	<u>66,252</u>	<u>65,163</u>	<u>58,996</u>	<u>58,266</u>	<u>55,926</u>	<u>55,463</u>	<u>53,706</u>	<u>57,629</u>	<u>54,230</u>
Annual Contribution Deficiency (Excess)*	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Village's covered	633,314	644,528	629,700	629,659	665,008	585,618	580,762	562,367	603,447	568,728
Contributions as a percentage of covered payroll	10.78%	10.28%	10.35%	9.37%	8.76%	9.55%	9.55%	9.55%	9.55%	9.54%

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF VILLAGE CONTRIBUTIONS
MUNICIPAL POLICE DIVISION
JUNE 30, 2024**

**Last Ten Fiscal Years
Police Division**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 135,880	123,994	125,728	120,530	108,802	104,485	107,683	105,194	104,773	99,392
Contributions in relation to the contractually required contribution	<u>135,880</u>	<u>123,994</u>	<u>125,728</u>	<u>120,530</u>	<u>108,802</u>	<u>104,485</u>	<u>107,683</u>	<u>105,194</u>	<u>104,773</u>	<u>99,392</u>
Annual Contribution Deficiency (Excess)*	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Village's covered payroll	674,996	631,618	596,532	596,486	658,448	552,831	569,793	556,583	554,353	526,325
Contributions as a percentage of covered payroll	20.13%	19.63%	21.08%	20.21%	16.52%	18.90%	18.90%	18.90%	18.90%	18.88%

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2024**

	Last Ten Fiscal Years*						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Village's proportion of the OPEB liability	0.02595%	0.02915%	0.02889%	0.02968%	0.02884%	0.03016%	0.02915%
Village's proportionate share of the net OPEB liability	\$ 441,886	673,852	950,582	1,246,236	935,105	1,311,464	1,320,983
Village's covered payroll	1,304,099	1,322,708	1,333,055	1,223,261	1,203,473	1,294,050	1,214,286
Village's proportionate share of the net OPEB liability as a percentage of its covered payroll	33.88%	50.94%	71.31%	101.88%	77.70%	101.35%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	44.16%	33.33%	25.39%	18.92%	18.92%	71.13%	73.74%

*Governmental Accounting Standards Board Statement 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2017, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF VILLAGE OPEB CONTRIBUTIONS
JUNE 30, 2024**

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 29,439	29,722	28,298	27,855	25,528	47,130	92,565
Contributions in Relation to the Contractually Required Contribution	<u>29,439</u>	<u>29,722</u>	<u>28,298</u>	<u>27,855</u>	<u>25,528</u>	<u>47,130</u>	<u>92,565</u>
Contribution deficiency (excess)	\$ <u><u> </u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Village's covered payroll	1,304,099	1,322,708	1,333,055	1,223,261	1,203,473	1,294,050	1,214,286
Contributions as a percentage of covered payroll	2.26%	2.25%	2.12%	2.28%	2.12%	3.64%	7.62%

*Governmental Accounting Standards Board Statement 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the Village is not available prior to fiscal year 2017, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

Changes of benefit terms: The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA's ACFR. That report is available at <https://www.nmpera.org/financial-overview/>.

Assumptions: The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation Report as of June 30, 2023, is available at <http://www.nmpera.org/>

Retiree Health Care Authority (RHCA). In the total OPEB liability measured as of June 30, 2023, changes in assumptions include adjustments resulting from an increase in the discount rate from 5.22% to 6.22%.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
NON MAJOR FUNDS
JUNE 30, 2024**

SPECIAL REVENUE FUNDS

CORRECTIONS – To establish an additional sources of funds for municipalities to offset the costs of corrections. The source of funds is a fee which must be paid by all persons violating laws relating the operations of a motor vehicle. Authority is NMSA 33-9-3.

ENVIRONMENTAL GROSS RECEIPTS TAX – To account for the revenue received form the State through gross receipts and subsequently given to the Otero/Lincoln County Regional Landfill in accordance with a joint powers agreement. Authority is by Joint Powers Agreement.

EMERGENCY MEDICAL SERVICES – To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

FIRE PROTECTION – To account for the operation and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

LAW ENFORCEMENT PROTECTION – To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

LAW ENFORCEMENT PROTECTION R/R – To account for reserve requirement expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

STREETS – To account for funds used to maintain roads for which the Village is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of Village roads. Authority is NMSA 7-1-6-27.

CANNABIS TAX – To account for revenues and expenditures related to the production and sales of cannabis. In April 2021, the New Mexico Legislature passed the Cannabis Regulation Act (HB 2) which legalized the cultivation, manufacture, purchase, possession, and consumption of adult use cannabis for adults 21 and older.

EMS TAX – To account for funds available for emergency medical equipment and supplies attributable to such services. Financing is provided by the State of New Mexico. Authority is the Emergency Medical Services Fund Act, NMSA 24-10A.

ARPA – To track revenues and expenditures related to the American Rescue Plan Act (ARPA) signed into law through H.R. 1319 by President Biden in order to combat the COVID-19 pandemic.

NOMINAL FEE – To account for revenues and expenditures of funds collected for volunteer firefighters and emergency medical service volunteer members to improve training, qualifications, and participation as well as ensure a positive effect on recruitment and retention. Authority is NMSA 59A-52-26.

TRAFFIC SAFETY – To account for revenues and expenditures of funds collected for the purchase and maintenance of traffic safety equipment. Authority is Village Ordinance No. 97-10 and No. 2000-02.

STATE OF NEW MEXICO
Village of Bosque Farms
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
Assets			
Cash and cash equivalents	\$ 2,061	263,122	6,648
Receivables:			
Taxes:			
Gross receipts	-	-	-
Gasoline	-	-	-
Cannabis	-	-	-
Total assets	<u>\$ 2,061</u>	<u>263,122</u>	<u>6,648</u>
Liabilities			
Accounts payable	\$ -	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted for:			
Special revenue funds	2,061	263,122	6,648
Total fund balances	<u>2,061</u>	<u>263,122</u>	<u>6,648</u>
Total liabilities and fund balances	<u>\$ 2,061</u>	<u>263,122</u>	<u>6,648</u>

Fire	Law Enforcement Protection	Law Enforcement R/R	Streets	Cannabis Tax
246,723	33,369	16,289	53,011	4,896
-	-	-	-	-
-	-	-	8,408	-
-	-	-	-	1,746
<u>246,723</u>	<u>33,369</u>	<u>16,289</u>	<u>61,419</u>	<u>6,642</u>
-	17,240	-	-	-
-	17,240	-	-	-
246,723	16,129	16,289	61,419	6,642
<u>246,723</u>	<u>16,129</u>	<u>16,289</u>	<u>61,419</u>	<u>6,642</u>
246,723	33,369	16,289	61,419	6,642
<u>246,723</u>	<u>33,369</u>	<u>16,289</u>	<u>61,419</u>	<u>6,642</u>

STATE OF NEW MEXICO
Village of Bosque Farms
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	EMS Tax	ARPA	Nominal Fee
Assets			
Cash and cash equivalents	\$ 278,734	284,986	24,553
Receivables:			
Taxes:			
Gross receipts	24,997	-	13,015
Gasoline	-	-	-
Cannabis	-	-	-
Total assets	<u>\$ 303,731</u>	<u>284,986</u>	<u>37,568</u>
Liabilities			
Accounts payable	\$ -	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted for:			
Special revenue funds	303,731	284,986	37,568
Total fund balances	<u>303,731</u>	<u>284,986</u>	<u>37,568</u>
Total liabilities and fund balances	<u>\$ 303,731</u>	<u>284,986</u>	<u>37,568</u>

<u>Traffic Safety</u>	<u>Total Nonmajor Funds</u>
13,113	1,227,505
-	38,012
-	8,408
-	1,746
<u>13,113</u>	<u>1,275,671</u>
-	17,240
-	17,240
<u>13,113</u>	<u>1,258,431</u>
<u>13,113</u>	<u>1,258,431</u>
<u>13,113</u>	<u>1,275,671</u>

STATE OF NEW MEXICO
Village of Bosque Farms
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Corrections	Environmental Gross Receipts Tax	Emergency Medical Services
REVENUES			
Taxes:			
Gross receipts	\$ -	49,497	-
Other	-	-	-
Licenses, permits, fees, and fines	8,982	-	-
State grants	-	-	7,834
Intergovernmental	-	-	-
Joint powers agreements	-	-	-
Other	-	-	-
Total revenues	<u>8,982</u>	<u>49,497</u>	<u>7,834</u>
Expenditures			
Current			
Public safety	10,705	60	2,887
Capital outlay	-	-	-
Total expenditures	<u>10,705</u>	<u>60</u>	<u>2,887</u>
(Deficiency) excess of revenues over expenditures before other financing sources	(1,723)	49,437	4,947
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,723)	49,437	4,947
Fund balance, beginning of year	<u>3,784</u>	<u>213,685</u>	<u>1,701</u>
Fund balance, end of year	<u>\$ 2,061</u>	<u>263,122</u>	<u>6,648</u>

Fire	Law Enforcement Protection	Law Enforcement R/R	Streets	Cannabis Tax
-	-	-	-	5,700
-	-	-	66,581	-
-	-	-	-	-
-	110,691	75,000	-	-
122,369	-	-	-	-
-	-	-	-	-
-	15,000	9,289	-	-
122,369	125,691	84,289	66,581	5,700
336,050	21,226	68,000	-	-
1,635	92,222	-	237,127	-
337,685	113,448	68,000	237,127	-
(215,316)	12,243	16,289	(170,546)	5,700
-	-	-	199,684	-
-	-	-	-	-
-	-	-	199,684	-
(215,316)	12,243	16,289	29,138	5,700
462,039	3,886	-	32,281	942
246,723	16,129	16,289	61,419	6,642

STATE OF NEW MEXICO
Village of Bosque Farms
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	EMS Tax	ARPA	Nominal Fee
REVENUES			
Taxes:			
Gross receipts	\$ -	-	-
Other	77,802	-	56,177
Licenses, permits, fees, and fines	-	-	1,145
State grants	-	-	-
Intergovernmental	-	-	-
Joint powers agreements	9,000	-	-
Other	-	-	-
Total revenues	<u>86,802</u>	<u>-</u>	<u>57,322</u>
Expenditures			
Current			
Public safety	7,966	123,104	71,643
Capital outlay	-	-	-
Total expenditures	<u>7,966</u>	<u>123,104</u>	<u>71,643</u>
(Deficiency) excess of revenues over expenditures before other financing sources	78,836	(123,104)	(14,321)
Other financing sources (uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	78,836	(123,104)	(14,321)
Fund balance, beginning of year	<u>224,895</u>	<u>408,090</u>	<u>51,889</u>
Fund balance, end of year	<u>\$ <u>303,731</u></u>	<u><u>284,986</u></u>	<u><u>37,568</u></u>

Traffic Safety	Total Nonmajor Funds
-	55,197
-	200,560
4,151	14,278
-	193,525
-	122,369
-	9,000
-	24,289
4,151	619,218

638	642,279
3,445	334,429
4,083	976,708

68	(357,490)
-	199,684
-	-
-	199,684

68	(157,806)
13,045	1,416,237
13,113	1,258,431

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF CASH AND INVESTMENT ACCOUNTS
June 30, 2024**

Bank Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Totals
NM Bank & Trust					
GENERAL POOLED CASH	Non-interest bearing checking	\$ 2,236,011	483	(35,600)	2,200,894
GEN FUND MONEY MARKET ACCOUNT	Money Market	1,068,445	-	-	1,068,445
MUNICIPAL COURT POOLED CASH	Non-interest bearing checking	4,393	2,958	(2,372)	4,979
PAYROLL CLEARING CASH	Non-interest bearing checking	116,316	35	(116,351)	-
SPECIAL REVENUE POOLED CASH	Non-interest bearing checking	4,556,081	-	(177,236)	4,378,845
UTILITY MONEY MARKET ACCOUNT	Money Market	1,631,861	-	-	1,631,861
UTILITY ENTERPRISE ACCT. PC	Non-interest bearing checking	1,418,536	18,043	(125,821)	1,310,758
<i>Total NM Bank & Trust</i>		<u>11,031,643</u>	<u>21,519</u>	<u>(457,380)</u>	<u>10,595,782</u>
NMFA					
NMFA DW-2882	NMFA Cash	\$ 4,726	-	-	4,726
NMFA PPRF-3331	NMFA Cash	100,105	-	-	100,105
<i>Total NMFA</i>		<u>104,831</u>	<u>-</u>	<u>-</u>	<u>104,831</u>
<i>Total Deposits</i>		<u>\$ 11,136,474</u>	<u>21,519</u>	<u>(457,380)</u>	<u>10,700,613</u>
Petty Cash					350
<i>Total Cash</i>					<u>\$ 10,700,963</u>
Cash - Governmental Activities					4,472,406
Cash - Business-Type Activities					2,913,116
Restricted Cash					104,831
Cash - Custodial Funds					3,210,610
<i>Total Cash</i>					<u>\$ 10,700,963</u>

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2024**

	NM Bank and Trust	Total
Deposits at June 30, 2024	\$ 11,031,642	11,031,642
Less: FDIC coverage	<u>(500,000)</u>	<u>(500,000)</u>
Uninsured public funds	10,531,642	10,531,642
Pledged collateral held by the pledging bank's trust department or agent but not in the Village's name	<u>5,787,575</u>	<u>5,787,575</u>
Uninsured and uncollateralized	<u>4,744,067</u>	<u>4,744,067</u>
50% pledged collateral requirement per statute	5,265,821	5,265,821
Total pledged collateral	<u>5,787,575</u>	<u>5,787,575</u>
Pledged collateral under (over) the requirement	<u>\$ (521,754)</u>	<u>(521,754)</u>

Pledge collateral at June 30, 2024 consisted of the following:

Security	CUSIP	Maturity	Fair Market Value	Total
<i>FNMA Pool #FM1050</i>	3140X4EY8	6/1/2034	\$ 1,381,180	1,381,180
<i>FNMA Pool #AY3455</i>	3138YGZV7	5/1/2045	59,248	59,248
<i>FNMA Pool #BN0324</i>	3140JGLE3	12/1/2048	316,159	316,159
<i>FNMA Pool #BF0485</i>	3140FXRF1	1/1/2050	192,885	192,885
<i>FNMA Pool #BF0215</i>	3140FXGZ9	2/1/2051	119,706	119,706
<i>FHLMC Pool #RA7873</i>	3133KPXA1	8/1/2052	24,927	24,927
<i>FNMA Pool #BF0141</i>	3140FXEP3	9/1/2056	1,494,894	1,494,894
<i>FNMA Pool #BF0272</i>	3140FXJS2	5/1/2058	329,619	329,619
<i>FNMA Pool #BF0272</i>	3140FXJS2	5/1/2058	241,185	241,185
<i>FNMA Pool #BF0273</i>	3140FXJT0	5/1/2058	25,935	25,935
<i>FNMA Pool #BF0274</i>	3140FXJU7	5/1/2058	587,187	587,187
<i>FNMA Pool #BS2352</i>	3140LCTJ0	12/1/2037	562,683	562,683
<i>SCRT 2017-4 HT</i>	35563PDD8	6/25/2057	451,967	451,967
			<u>\$ 5,787,575</u>	<u>5,787,575</u>

STATE OF NEW MEXICO
Village of Bosque Farms
SCHEDULE OF JOINT POWER AGREEMENTS

Police Services

Participants:	Village of Bosque Farms and Town of Peralta
Responsible Party:	Village of Bosque Farms
Description:	Bosque Farms Police Department will provide police Services to the Town of Peralta
Period:	Yearly renewal
Project Costs:	The Town of Peralta pays the Village of Bosque Farms \$125,000 per quarter.
Annual Village Contributions:	\$500,000
Audit Responsibility:	Village of Bosque Farms
Fiscal Agent:	Village of Bosque Farms



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

To Joseph M. Maestas, P.E.
New Mexico State Auditor

The Village of Bosque Farms Council
Village of Bosque Farms

We have audited, 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, the financial statements of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of the Village of Bosque Farms (the "Village"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Report on 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 financial statements. 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 is described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002.

Village's Response to Findings

The Village's response to the findings identified in our audit are 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.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, LLP
Albuquerque New Mexico
December 13, 2024

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2024**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

<u>Type of Auditor’s report issued:</u>	<u>Unmodified</u>
Internal control over financial reporting: Material Weakness reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2024**

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

None.

**SECTION III – Other Findings, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION 12-6-5,
NMSA 1978**

2024-001 (2022-003) Timely Deposits of Cash Receipts (Other Non-Compliance)

CONDITION: During our testing of cash receipts, we noted on 8 out of 25 transactions tested that the Village did not deposit the funds totaling \$1,211 within 24 hours.

Management has not made progress.

CRITERIA: The “24-hour deposit rule” requires all money received by any state official or agency, “unless otherwise specified by statutory exception,” be deposited before the close of the next succeeding business day after the receipt of the money (NMSA 1978, Section 6-10-3). Per the Office of the State Auditor this rule is applicable to all entities who receive public funds and are subject to the Audit Rule.

EFFECT: The Village is not in compliance with state statutes.

CAUSE: The Village failed to deposit funds within 24 hours.

AUDITOR’S RECOMMENDATION: We recommend that the Village implement procedures to ensure that deposits are properly supported and that those deposits are made in a timely manner.

MANAGEMENT RESPONSE: The Village of Bosque Farms Management team shall establish procedures in written policy detailing the urgency and required staff to perform timely deposits of cash balances. These standard operating procedures shall also factor in the Village’s closures due to inclement weather, holiday or need for administrative leave.

RESPONSIBLE PARTY: Clerk Administrator/Treasurer

TIMELINE FOR CORRECTIVE ACTION: Standard operating procedures are currently being developed and revamped under current administration. Handbook policies and SOPs will be reviewed and approved by council starting January FY 2025.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2024**

2024-002 Fuel Cards (Other Non-Compliance)

CONDITION: During our testwork over fuel card transactions, we noted fuel receipts were not provided in the amount of \$220.

CRITERIA: NMSA 1978, §6-5-1 through §6-5-6, establishes requirements for Local Public Bodies. The statutes require entities to implement internal controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. 6-5-2.C. State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law. Section 6-6-2.J NMSA 1978 states that expenditures must be monitored to ensure expenditures are made within budgetary constraints and to ensure expenditures are legal. Good accounting and internal control practices require that all disbursements must originate with authorizing documents and be supported by properly approved documents such as purchase orders, bills, petty cash reimbursement forms, payroll and time records, leases, contracts, or other supporting documents.

EFFECT: Not being in compliance with NMSA 1978, §6-5-1 through §6-5-6, and §6-6-2 could result in the Village paying for expenditures that were not properly approved or supported.

CAUSE: The Village failed to ensure all fuel card transactions were properly supported, reviewed and approved.

AUDITOR'S RECOMMENDATION: We recommend the Village train employees and implement and adopt updated fuel card policies and procedures to ensure all transactions are properly approved and supported prior to payment.

MANAGEMENT RESPONSE: Management will have Standard Operating Procedures written and signed by employees who utilize village vehicles and fuel cards. These SOPs will detail the level of importance in ensuring documentation of fueling is appropriately reported to management and receipts are properly tracked and submitted.

RESPONSIBLE PARTY: Clerk Administrator/Treasurer

TIMELINE FOR CORRECTIVE ACTION: Standard operating procedures are currently being developed and revamped under current administration. Handbook policies and SOPs will be reviewed and approved by council starting January FY 2025.

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2024**

Prior Year Findings

Description	Status
2023-001 (2022-002) Controls Surrounding Payroll Disbursements (Other Matter)	Resolved
2023-002 (2022-003) Timely Deposits of Cash Receipts (Other Non-Compliance)	Repeat and Modified
2023-003 Internal Controls Over Budgetary Expenditures (Other Non-Compliance)	Resolved
2023-004 Collateralization of Bank Accounts (Other Non-Compliance)	Resolved

**STATE OF NEW MEXICO
VILLAGE OF BOSQUE FARMS
EXIT CONFERENCE
Year Ended June 30, 2024**

An exit conference was held on December 13, 2024 with the Village of Bosque Farms. The overall results of the audit and related findings were discussed. The following individuals were present during the meeting:

Representing the Village of Bosque Farms

Ronita Wood	Councilor
Michale Limon	Village Clerk/Administrator
Shaline L. Lopez	Deputy Clerk

Pattillo, Brown & Hill, L.L.P.

Chris Garner, CPA	Partner
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The financial statements were prepared by Pattillo, Brown & Hill, L.L.P. from the books and records of the Village of Bosque Farms. However, the contents of these financials statements remain the responsibility of the Village's management.