

**State of New Mexico
Village of Columbus**

**Basic Financial Statements and
Supplementary Information
for the Year Ended June 30, 2010
and Independent Auditors' Report**

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

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STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

OFFICIAL ROSTER
JUNE 30, 2010

Nicole Lawson
Martha Skinner
Xavier Munos
Javier Lozano

Mayor
Trustee
Trustee
Judge



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SAMANIEGO+
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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
and the Mayor and Village Council of the
Village of Columbus, New Mexico

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue fund of the Village of Columbus (the "Village"), as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. We also were engaged to audit the financial statements of each of the Village's nonmajor governmental funds, and the budgetary comparisons for major enterprise funds and all nonmajor funds the presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Village management.

As a result of turnover in Village personnel and poor recordkeeping, we were unable to obtain detail to any general ledger account and subsidiary ledgers and audit that detail and ledger. We were unable to satisfy ourselves about the lack of general ledger detail, and lack of all subsidiary ledgers by means of other auditing procedures.

Because we were unable to obtain detail to any general ledger account and subsidiary ledgers, and we were unable to apply other auditing procedures regarding lack of general ledger detail, and lack of all subsidiary ledgers as discussed in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

We were unable to obtain written representations from management of the the Village of Columbus concerning transactions related to the fiscal year 2010, which took place under substantially different management, as required by generally accepted auditing standards.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2012, on our consideration of the Village' 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Village has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined in necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statement and budgetary comparisons presented as supplemental information.

We were engaged for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The scope of our audited was limited as discussed in the second, and third paragraphs above and because of the significance of these matters, we do not express an opinion on the basic financial statements and the combining and individual fund financial statements; accordingly, the other supplemental information as listed in the table of contents have not been subjected to auditing procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*; therefore, we do not express an opinion as to the other supplemental information as listed in the table of contents in relation to the basic financial statements taken as a whole.

White & Sumariaga & Campbell, CP

El Paso, Texas
April 19, 2012

GOVERNMENT - WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 308,481	\$ 384,074	\$ 692,555
Accounts receivable	44,732	95,262	139,994
Due from other governments	254,810	-	254,810
	<u>608,023</u>	<u>479,336</u>	<u>1,087,359</u>
NON-CURRENT ASSETS:			
Capital assets	3,953,157	14,835,174	18,788,331
Less accumulated depreciation	<u>(1,644,218)</u>	<u>(4,996,947)</u>	<u>(6,641,165)</u>
	<u>2,308,939</u>	<u>9,838,227</u>	<u>12,147,166</u>
Total current assets	608,023	479,336	1,087,359
Total non-current assets	2,308,939	9,838,227	12,147,166
Total assets	\$ 2,916,962	\$ 10,317,563	\$ 13,234,525
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$ 3,590	\$ 471	\$ 4,061
Accrued salaries	110,805	2,087	112,892
Current portion of long term debt	4,584	13,736	18,320
Due to other governments	731,798	-	731,798
Compensated absences	<u>3,983</u>	<u>2,249</u>	<u>6,232</u>
	<u>854,760</u>	<u>18,543</u>	<u>873,303</u>
Total current liabilities	854,760	18,543	873,303
NON-CURRENT LIABILITIES:			
Compensated absences	10,461	1,955	12,416
Customer deposits	-	5,717	5,717
Long term debt, less current maturities	<u>18,124</u>	<u>249,159</u>	<u>267,283</u>
	<u>28,585</u>	<u>256,831</u>	<u>285,416</u>
Total non-current liabilities	28,585	256,831	285,416
Total liabilities	883,345	275,374	1,158,719
NET ASSETS			
Invested in capital assets, net of related debt	2,286,231	9,575,332	11,861,563
Restricted for:			
Capital improvements	52,812	-	52,812
Special revenue funds	(72,729)	-	(72,729)
Unrestricted	<u>(232,697)</u>	<u>466,857</u>	<u>234,160</u>
	<u>2,033,617</u>	<u>10,042,189</u>	<u>12,075,806</u>
Total net assets	\$ 2,033,617	\$ 10,042,189	\$ 12,075,806
Total liabilities and assets	\$ 2,916,962	\$ 10,317,563	\$ 13,234,525

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONAL/PROGRAMS:	Program Revenues					Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total
Governmental activities:								
General government	\$ 323,360	\$ 21,617	\$ 407,028	\$ -	\$ 105,285	\$ -	\$ 105,285	
Public safety	809,294	360,958	133,573	-	(374,763)	-	(374,763)	
Public works	174,291	-	-	2,486,446	2,312,155	-	2,312,155	
Culture and recreation	345,958	-	-	-	(345,958)	-	(345,958)	
Health and welfare	400	-	-	-	(400)	-	(400)	
Total governmental activities	<u>1,713,303</u>	<u>382,575</u>	<u>540,601</u>	<u>2,486,446</u>	<u>1,696,319</u>	<u>-</u>	<u>1,696,319</u>	
Business-type activities:								
Land fill	627,428	86,413	-	-	-	(541,015)	(541,015)	
Water and sewer	332,669	353,310	-	-	-	20,641	20,641	
Total business-type activities	<u>960,097</u>	<u>439,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,374)</u>	<u>(520,374)</u>	
Total primary government	<u>2,673,400</u>	<u>822,298</u>	<u>540,601</u>	<u>2,486,446</u>	<u>1,696,319</u>	<u>(520,374)</u>	<u>1,175,945</u>	
General Revenues and Transfers:								
Laxes								
Property taxes					67,050	-	67,050	
Motor vehicles taxes					4,923	-	4,923	
Gasoline taxes					10,189	-	10,189	
Cigarette taxes					286	-	286	
Gross receipts taxes municipal					200,463	17,897	218,360	
Gross receipts taxes environmental					4,916	-	4,916	
Gross receipts taxes infrastructure					9,831	-	9,831	
Lodgers tax					2,982	-	2,982	
Licenses and fees					9,255	-	9,255	
Miscellaneous					-	-	-	
Transfers					96,454	1,302	97,736	
Total general revenues and transfers					<u>(2,368,666)</u>	<u>2,368,666</u>	<u>425,528</u>	
Changes in net assets:								
Net assets, beginning of year						1,601,473	1,601,473	
Net assets, end of year						<u>8,174,698</u>	<u>10,474,333</u>	
						<u>2,033,617</u>	<u>17,075,806</u>	

See independent auditors' report and accompanying notes to financial statements.

GOVERNMENTAL FUND STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS	General Fund	Fire Fund	Correction Fund	EMS Ambulance	Grants	Non-Major Funds	Total Governmental Funds
Cash and cash equivalents	\$ 78,510	\$ -	\$ 33,686	\$ 155,619	\$ 29,846	\$ 10,820	\$ 308,481
Accounts receivable	44,732	-	-	-	-	-	44,732
Due from other governments	168,600	-	-	-	-	86,210	254,810
Total assets	\$ 291,842	\$ -	\$ 33,686	\$ 155,619	\$ 29,846	\$ 97,030	\$ 608,023
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 175	\$ 620	\$ -	\$ 2,795	\$ 3,590
Accrued salaries	109,008	475	-	368	-	954	110,805
Due to other governments	401,087	2,641	-	-	261,803	66,267	731,798
Total liabilities	510,095	3,116	175	988	261,803	70,016	846,193
Fund balances:							
Restricted for capital projects funds	-	-	-	-	-	52,812	52,812
Restricted for special revenue funds	-	(3,116)	33,511	154,631	(231,957)	(25,798)	(72,729)
Unassigned	(218,253)	-	-	-	-	-	(218,253)
Total fund balances	(218,253)	(3,116)	33,511	154,631	(231,957)	27,014	(238,170)
Total liabilities and fund balances	\$ 291,842	\$ -	\$ 33,686	\$ 155,619	\$ 29,846	\$ 97,030	\$ 608,023

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances - governmental funds		\$	(238,170)
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
The cost of capital assets	3,953,157		
Accumulated depreciation	<u>(1,644,218)</u>		2,308,939
Other long-term liabilities and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:			
Notes payable	(22,708)		
Compensated absences	<u>(14,444)</u>		<u>(37,152)</u>
Total net assets - governmental activities		\$	<u>2,033,617</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Fire Fund	Correction Fund	EMS Ambulance	Grants	Total Non-Major Funds	Total Governmental Funds
REVENUES							
Motor vehicle registration	\$ 4,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,923
Cigarette tax	199	-	-	-	-	-	286
Gross receipts tax municipal	200,463	-	-	-	-	-	200,463
Gross receipts tax environmental	-	-	-	-	-	-	4,916
Gross receipts tax infrastructure	9,831	-	-	-	-	-	9,831
Property taxes	67,050	-	-	-	-	-	67,050
Franchise taxes	9,255	-	-	-	-	-	9,255
Gasoline tax	2,373	-	-	-	-	-	10,189
Lodger's tax	-	-	-	-	-	-	2,982
Small cities assistance	157,060	-	-	-	-	-	157,060
Charges for services	19,762	-	6,222	354,736	-	1,855	382,575
Joint power agreement	13,650	32,000	-	32,080	-	12,000	89,650
State allocation	72,612	73,375	-	60,198	-	54,330	260,515
Federal grants	-	-	-	-	-	23,315	23,315
State grants	4,550	-	-	-	28,826	2,463,131	2,496,507
Contributions/donations	335	-	-	-	-	-	3,960
Investment income	4,646	-	-	5,778	-	-	10,424
Miscellaneous	82,050	-	-	-	-	-	82,050
Total revenues	648,759	105,375	6,222	452,712	28,826	2,574,057	3,815,951
EXPENDITURES							
Current:							
General government	301,188	-	3,984	-	-	2,514	307,686
Public safety	702,797	102,394	-	388,340	-	23,797	1,217,328
Public works	33,832	-	-	-	-	48,447	82,279
Culture and recreation	328,751	-	-	-	-	17,207	345,958
Health and welfare	-	-	-	-	-	400	400
Capital outlay	-	-	-	-	-	228,711	228,711
Total expenditures	1,366,568	102,394	3,984	388,340	-	321,076	2,182,362
Excess (deficiency) of revenues over expenditures	(717,809)	2,981	2,238	64,372	28,826	2,252,981	1,633,589
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	(2,194,649)	(2,194,649)
Transfers out	174,017	-	-	-	-	-	174,017

Total other financing sources (uses)	174,017	-	-	(2,194,649)	(2,020,632)
Net change in fund balance	(543,792)	2,981	2,238	58,332	(387,043)
Fund balance at beginning of year	325,539	(6,097)	31,273	(31,318)	148,873
Fund balance at end of year	<u>\$ (218,253) \$</u>	<u>\$ (3,116) \$</u>	<u>\$ 33,511 \$</u>	<u>\$ (231,957) \$</u>	<u>\$ (238,170) \$</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds \$ (387,043)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital assets reported as capital outlay expenditures	257,897	
Depreciation expense	<u>(136,699)</u>	121,198

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 4,508

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). (4,681)

Change in net assets of governmental activities \$ (266,018)

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Franchise taxes	\$ 8,000	\$ 8,000	\$ 9,255	\$ 1,255
Gross receipts taxes-municipal	278,000	278,000	200,463	(77,537)
Property taxes	58,093	58,093	67,050	8,957
Cigarette tax	400	400	199	(201)
Motor vehicle registration	5,000	5,000	4,923	(77)
Licenses and permits	33,500	33,500	-	(33,500)
Charges for services	56,950	56,950	19,762	(37,188)
Gross receipts tax - infrastructure	19,000	19,000	9,831	(9,169)
Small cities assistance	150,000	150,000	170,710	20,710
State grants	120,000	120,000	77,162	(42,838)
Investment income	-	-	4,646	4,646
Miscellaneous	-	-	84,758	84,758
Total revenues	728,943	728,943	648,759	(80,184)
EXPENDITURES:				
Current				
General government	315,543	315,543	301,188	14,355
Public safety	339,384	339,384	702,797	(363,413)
Public works	64,925	64,925	33,832	31,093
Culture and recreation	204,949	204,949	328,751	(123,802)
Total expenditures	924,801	924,801	1,366,568	(441,767)
Excess (deficiency) of revenues over expenditures	(195,858)	(195,858)	(717,809)	(521,951)
OTHER FINANCING SOURCES (USES)				
Transfers out	(37,705)	(37,705)	-	37,705
Total other financing sources (uses)	(37,705)	(37,705)	-	37,705
Net changes in fund balance Non-GAAP basis	(233,563)	(233,563)	(717,809)	(484,246)
Fund balance - beginning	325,539	325,539	325,539	-
Fund balance - ending	\$ 91,976	\$ 91,976	\$ (392,270)	\$ (484,246)
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			(717,809)	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ (717,809)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BUDGET AND ACTUAL ON BUDGETARY BASIS
SPECIAL REVENUE FUND - FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State Allotment	\$ 55,501	\$ 55,501	\$ 73,375	\$ 17,874
Miscellaneous	33,000	33,000	32,000	(1,000)
Total revenues	88,501	88,501	105,375	16,874
EXPENDITURES:				
Current				
Public Safety	97,755	97,755	102,394	(4,639)
Total expenditures	97,755	97,755	102,394	(4,639)
Excess (deficiency) of revenues over expenditures	(9,254)	(9,254)	2,981	12,235
OTHER FINANCING SOURCES (USES)				
Transfers in	9,254	9,254	-	(9,254)
Total other financing sources (uses)	9,254	9,254	-	(9,254)
Net changes in fund balance Non-GAAP basis	-	-	2,981	2,981
Fund balance - beginning	(6,097)	(6,097)	(6,097)	-
Fund balance - ending	\$ (6,097)	\$ (6,097)	\$ (3,116)	\$ 2,981
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			2,981	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 2,981	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 SPECIAL REVENUE FUND - CORRECTIONS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Correction fees	\$ -	\$ -	\$ 6,222	\$ 6,222
Total revenues	-	-	6,222	6,222
EXPENDITURES:				
Current				
Public safety	-	-	3,984	(3,984)
Total expenditures	-	-	3,984	(3,984)
Excess (deficiency) of revenues over expenditures	-	-	2,238	10,206
Net changes in fund balance Non-GAAP basis	-	-	2,238	10,206
Fund balance - beginning	31,273	31,273	31,273	-
Fund balance - ending	<u>\$ 31,273</u>	<u>\$ 31,273</u>	<u>\$ 33,511</u>	<u>\$ 10,206</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			2,238	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ 2,238</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
SPECIAL REVENUE FUND - EMS AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State allocation	\$ 7,000	\$ 7,000	\$ 60,198	\$ 53,198
Joint powers agreements	-	-	32,000	32,000
Charges for services	343,000	343,000	354,736	11,736
Investment income	-	-	5,778	5,778
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>452,712</u>	<u>102,712</u>
EXPENDITURES:				
Current				
Public safety	<u>339,217</u>	<u>339,217</u>	<u>388,340</u>	<u>(49,123)</u>
Total expenditures	<u>339,217</u>	<u>339,217</u>	<u>388,340</u>	<u>(49,123)</u>
Excess (deficiency) of revenues over expenditures	<u>64,372</u>	<u>64,372</u>	<u>64,372</u>	<u>64,372</u>
Net changes in fund balance Non-GAAP basis	64,372	64,372	64,372	64,372
Fund balance - beginning	<u>90,259</u>	<u>90,259</u>	<u>90,259</u>	<u>-</u>
Fund balance - ending	<u>\$ 154,631</u>	<u>\$ 154,631</u>	<u>\$ 154,631</u>	<u>\$ 64,372</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			64,372	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ 64,372</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
SPECIAL REVENUE FUND - GRANTS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ 773,084	\$ 773,084	\$ 28,826	\$ (744,258)
Total revenues	<u>773,084</u>	<u>773,084</u>	<u>28,826</u>	<u>(744,258)</u>
EXPENDITURES:				
Current				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>773,084</u>	<u>773,084</u>	<u>28,826</u>	<u>(744,258)</u>
Net changes in fund balance Non-GAAP basis	773,084	773,084	28,826	(744,258)
Fund balance - beginning	<u>(260,783)</u>	<u>(260,783)</u>	<u>(260,783)</u>	<u>-</u>
Fund balance - ending	<u>\$ 512,301</u>	<u>\$ 512,301</u>	<u>\$ (231,957)</u>	<u>\$ (744,258)</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			28,826	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			<u>\$ 28,826</u>	

See independent auditors' report and accompanying notes to financial statements.

PROPRIETARY FUND

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - JOINT UTILITIES
JUNE 30, 2010

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 384,074
Accounts receivable	<u>95,262</u>

Total current assets	479,336
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NON-CURRENT ASSETS:

Capital assets	14,835,174
Less accumulated depreciation	<u>(4,996,947)</u>

Total non-current assets	<u>9,838,227</u>
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Total assets	<u>\$ 10,317,563</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 471
Accrued salaries	2,087
Current portion of long term debt	13,736
Compensated absences	<u>2,249</u>

Total current liabilities	18,543
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NON-CURRENT LIABILITIES::

Customer deposits	5,717
Compensated absences	1,955
Long term debt, less current maturities	<u>249,159</u>

Total non-current liabilities	<u>256,831</u>
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Total liabilities	<u>275,374</u>
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NET ASSETS

Invested in capital assets, net of related debt	9,575,332
Unrestricted	<u>466,857</u>

Total net assets	<u>10,042,189</u>
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Total liabilities and net assets	<u>\$ 10,317,563</u>
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See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS - JOINT UTILITIES
FOR THE YEAR ENDED JUNE 30, 2010

OPERATING REVENUES

Charges for services	\$ 431,020
Gross receipts tax municipal	17,897
Intergovernmental	<u>10,000</u>

Total operating revenues 458,917

OPERATING EXPENSES

Personnel services	185,499
Other operating expenses	222,674
Depreciation expense	<u>551,919</u>

Total operating expenses 960,092

Operating loss (501,175)

Transfers in (out) 2,368,666

Change in net assets 1,867,491

Net assets, beginning of year 8,174,698

Net assets, end of year \$ 10,042,189

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - JOINT UTILITIES
FOR THE YEAR ENDED JUNE 30, 2010

Cash flows from operating activities:	
Cash received from agencies and customers	\$ 442,861
Cash used for goods and services	(225,450)
Cash used for salaries and operating expenses	<u>(184,863)</u>
Net cash provided by operating activities	<u>32,548</u>
Cash flows from capital activities and related financing activities:	
Intergovernmental transfers	2,368,666
Purchase of property and equipment, net	(2,617,836)
Acquisition of debt	276,620
Principal payments on debt	<u>(13,725)</u>
Net cash provided by investing activities	<u>13,725</u>
Net increase in cash and cash equivalents	46,273
Cash and cash equivalents - beginning	<u>337,801</u>
Cash and cash equivalents - ending	<u>\$ 384,074</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (501,175)
Adjustments to operating loss to net cash provided by operating activities:	
Depreciation	551,919
Changes in net assets and liabilities:	
Accounts receivables	(20,223)
Accounts payable	1,391
Accrued expenses and other liabilities	<u>636</u>
Net cash provided by operating activities	<u>\$ 32,548</u>

See independent auditors' report and accompanying notes to financial statements.

FIDUCIARY FUNDS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

FIDUCIARY FUNDS LISTING
JUNE 30, 2010

AGENCY FUNDS:

These funds are used to account for monies held by the Village in a custodial capacity.

Cemetery Trust

To account for the collection and distribution of funds.

Municipal Court Funds - To account for the collection and disbursement of funds.

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2010

	Private-Purpose Trust Fund	Municipal Court	Total
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 3,709	\$ 2,524	\$ 6,233
Total assets	<u>\$ 3,709</u>	<u>\$ 2,524</u>	<u>\$ 6,233</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	\$ -	\$ 2,524	\$ 2,524
Total liabilities	<u>-</u>	<u>2,524</u>	<u>2,524</u>
NET ASSETS			
Held in trust for private purpose	<u>3,709</u>	<u>-</u>	<u>3,709</u>
Total net assets	<u>\$ 3,709</u>	<u>\$ -</u>	<u>\$ 3,709</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Miscellaneous	\$ -
Total additions	<u>-</u>
DEDUCTIONS	
Administrative expenses	<u>-</u>
Total deductions	<u>-</u>
Change in net assets	-
Net assets beginning of year	<u>3,709</u>
Net assets end of year	<u>\$ 3,709</u>

See independent auditors' report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Columbus (the "Village") was established by the laws of the State of New Mexico in 1913, under the provisions of the act now referred to as Sections 4-9-1 and 4-9-2 of the New Mexico Statutes Annotated, 1978 Compilation. The Village operates under the Board of Trustees form of government and provides the following services as authorized in the grant of powers: public safety (police, fire, and emergency medical), public works (highways and streets), water, sewer and sanitation, health and welfare services, culture and recreation, public improvements, planning and zoning, and general administration services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Village's accounting policies are described below.

The Village (the primary government) for financial reporting purposes consists of funds, departments, and programs for which the Village is financially accountable.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable.

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

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

A. Reporting Entity

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-34. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility

include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village has no component units, and is not a component unit of another governmental agency.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 is 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 for utility and other services provided, fines and forfeitures from the courts, licenses and permits issued and funds from the small city assistance program. 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular department or function of the Village. 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 proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

C. Measurement Focus, Basis of Accounting, and Fund Financial Statements

Government-wide and Fiduciary Financial Statements - The government-wide, proprietary, 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. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes and property taxes, grants and entitlements. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized as revenues in the year for which they are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements are met.

All governmental and business-type activities of the Village follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The Village has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

Fund Financial Statements - Governmental funds 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. The Village considers all revenues to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Property taxes, gross receipts taxes, franchise taxes, and interest are considered susceptible to accrual. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government because they are not measurable or reasonably estimable.

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 due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Government funds are used to account for the Village's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental funds include:

General Fund - This is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

Special Revenue Funds - To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - To account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which includes funds that were not required to be presented as major but were at the discretion of management:

Fire Fund - To account for the revenues allocated by the state to the Village and the expenditure for maintaining and operating a volunteer fire department authorized by NMSA Section 59A-53-1.

EMS Ambulance Fund - To account for the general operations of the ambulance service (NMSA 24-10A-3).

Correction Fund - To account for judicial fees and administration costs (NMSA 35-14-11).

Grants Fund - To account for grant revenues and expenditures. Authority is by resolution.

Additionally, the government reports the following fund types:

The **Fiduciary Funds** are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The Village's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Amounts reported as *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.

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

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues, such as charges for services, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include operating subsidies, investment earnings, interest expense, and transactions that result from non-exchange transactions.

The proprietary funds account for services to the general public where all or most of the costs including depreciation are to be financed or recovered from users of such services. The Village maintains separate funds for gas, water, sewer and solid waste utility operations. These are reported as the Joint Utility Fund and are considered a major fund.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, investment income and charges for services. Grant revenues are recognized as revenues when the related costs are incurred. 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. Expenditures are recorded as liabilities when they are incurred, except for non-matured interest on general long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Village reports unearned revenue on its combined balance sheet. Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods 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.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments:

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

- a. State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and fully collateralized repurchase agreements.
- b. Investments for the Village are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Receivables and Payables:

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as inter-fund balance. Long term advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable from available resources.

3. Capital Assets:

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets including computer software are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed

of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is removed for all deleted capital assets.

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. No computer software is developed in-house.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Capital assets of the primary government are depreciated using the straight-line method over their useful lives.

4. **Deferred Revenue:**

The Village defers revenue from non-exchange transactions. The amount deferred results from the difference between the receivable recognized on an accrual basis and the related revenue recognized on the modified accrual basis. Revenue is recognized as the receivables are collected.

5. **Compensated Absences:**

Village employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation cost become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements.

6. **Long-Term Obligations:**

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. The face amount of debt issued is reported as other financing sources.

7. **Net Assets:**

The government-wide and business-type activities fund financial statements utilize a net assets presentation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources as needed.

Investment in capital assets, net of related debt - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets - Restricted net assets result from the constraints placed on the use of net assets when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - This category reflects net assets of the Village, not restricted for any project or other purpose.

8. **Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The Village records reserves to indicate that a portion of fund balance is legally restricted for a specific future use or is not available for appropriation and/or expenditure.

Reserved, designated for subsequent year's expenditures - Represents the amounts, other than carryover expenditures, which are required to be designated for subsequent year's expenditures.

Unreserved, undesignated - Amounts that have not been reserved or designated for any purpose. These funds are available for unrestricted use by the Village.

9. **Inter-Fund Transactions:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from 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. All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

10. **Estimates:**

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

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgetary Information

Annual budgets for the Village are prepared prior to June 1 and must be approved by the Board of Trustees and the New Mexico Department of Finance and Administration. Once the budget has been formally approved, the Village Board of Trustees and the Department of Finance and Administration must also approve any amendments. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

The Village is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

No budget was adopted for the RUS/WW USDA/RD, SAP 07-LG-5323-24-25, SAP 07-L-G-LGD COLONIAS, FEMA 1659-DR-NM, SAP-08-LG-4345 BALL PARK, SAP-08-LG-3240 LINRARY, SAP-08-LG-520 CITY HALL, JPA-NM BORDER AUTHORITY, 09-39-07 COLONIAS, MVA2-SOLAR PANEL, MVA1-GAZEBO, DOJ 08, DOJ 09, STONEGARDEN, and SAP LGD-06-545, because no resolutions were adopted to change the legally adopted budget to include the listed grants.

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

Since accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principals, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year-ended June 30, 2010 is presented.

Implementation of New Accounting Standards

In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53 Accounting and Financial Reporting for Derivative Instruments, which is effective for all periods beginning after June 15, 2009. This Statement is intended to improve how governments report information about derivative instruments. The Village incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010, and earlier application is encouraged. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Village is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 55 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which was effective upon issuance. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The Village incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 56 Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, which was effective upon issuance. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. The Village incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In December 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, which is effective upon issuance for certain provisions of the statement and for periods beginning after June 15, 2011 for other provisions. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans. The Village is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

3. **CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

Cash and investments - The Village is required by New Mexico State Statute (Section 6-10-17) to be 50 percent collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Cash held by pledging bank's trust department not in the Village's name	510,000
Uninsured and uncollateralized	<u>(88,327)</u>
 Total Cash and Investments, Primary Government	 <u>\$ 671,673</u>

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$421,673 of the Village's bank balance of \$671,673 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ (88,327)
Uninsured and collateralized held by pledging bank's trust department not in the Village's name	
Cash held by pledging bank's trust department not in the Village's name	<u>510,000</u>
 Total Cash and Investments, Primary Government	 <u>\$ 421,673</u>

4. **ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2010, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts receivable	\$ 44,732	\$ 95,262	\$ 139,994
Due from other governments	<u>254,810</u>	<u>-</u>	<u>254,810</u>
 Net receivables	 <u>\$ 299,542</u>	 <u>\$ 95,262</u>	 <u>\$ 394,804</u>

All amounts are considered to be collectible.

5. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2010, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and Construction in Progress is not subject to depreciation.

Governmental fund capital asset activity for the year was as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2010</u>
Government activities					
Capital assets not being depreciated:					
Land	\$ 505,314	\$ -	\$ -	\$ -	\$ 505,314
Construction in progress	<u>7,961</u>	<u>7,040</u>	<u>-</u>	<u>-</u>	<u>15,001</u>
Total	<u>513,275</u>	<u>7,040</u>	<u>-</u>	<u>-</u>	<u>520,315</u>
Other capital assets being depreciated					
Buildings	2,164,197	250,857	-	-	2,415,054
Other improvements	383,829	-	-	-	383,829
Machinery and equipment	<u>633,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>633,959</u>
Total	<u>3,181,985</u>	<u>250,857</u>	<u>-</u>	<u>-</u>	<u>3,432,842</u>
Accumulated depreciation					
Buildings	858,928	76,821	-	-	935,749
Other improvements	84,225	8,015	-	-	92,240
Machinery and equipment	<u>564,366</u>	<u>51,863</u>	<u>-</u>	<u>-</u>	<u>616,229</u>
Total accumulated depreciation	<u>1,507,519</u>	<u>136,699</u>	<u>-</u>	<u>-</u>	<u>1,644,218</u>
Total capital assets	<u>\$ 2,187,741</u>	<u>\$ 121,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,939</u>

Depreciation expense, for the year ended June 30, 2010 was charged as follows:

General government	\$ 2,343
Public safety	53,401
Public works	15,999
Culture and recreation	<u>64,956</u>
Total depreciation expense	<u>\$ 136,699</u>

Enterprise fund capital asset activity for the year was as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2010</u>
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ -	\$1,794,851	\$ -	\$ -	\$ 1,794,851
Capital assets being depreciated					
Utility system	12,130,093	800,485	-	-	12,930,578
Machinery and equipment	<u>87,245</u>	<u>22,500</u>	<u>-</u>	<u>-</u>	<u>109,745</u>
Total	<u>12,217,338</u>	<u>2,617,836</u>	<u>-</u>	<u>-</u>	<u>14,835,174</u>
Accumulated depreciation					
Buildings	4,358,629	541,191	-	-	4,899,820
Machinery and equipment	<u>86,399</u>	<u>10,728</u>	<u>-</u>	<u>-</u>	<u>97,127</u>
Total accumulated depreciation	<u>4,445,028</u>	<u>551,919</u>	<u>-</u>	<u>-</u>	<u>4,996,947</u>
Total capital assets	<u>\$ 7,772,310</u>	<u>\$2,065,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,838,227</u>

Depreciation expense relating to business-like activities for the year-ended June 30, 2010 totaled \$551,919.

6. LONG TERM DEBT

During the year-end June 30, 2010, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental Funds	<u>Balance 6/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/10</u>	<u>Due Within One Year</u>
New Mexico Finance Authority	\$ 27,216	\$ -	\$ 4,508	\$ 22,708	\$ 4,584
Compensated absences	<u>9,763</u>	<u>20,274</u>	<u>15,593</u>	<u>14,444</u>	<u>3,983</u>
Total	<u>\$ 36,979</u>	<u>\$ 20,274</u>	<u>\$ 20,101</u>	<u>\$ 37,152</u>	<u>\$ 8,567</u>

Compensated absences typically have been liquidated in the general and other governmental funds.

The Village obtained a \$45,000 loan from the State of New Mexico Finance Authority, during the 2004 fiscal year; the purpose of the loan was to purchase a fire pumper. The note bears no interest and payments begin June 1, 2006 through June 1, 2015. The payment amounts are as follows:

<u>Due in Year Ending</u>	<u>Principal</u>
2011	4,584
2012	4,584
2013	4,584
2014	4,584
2015	<u>4,372</u>
	<u>\$ 22,708</u>

Proprietary Fund	Balance 6/30/09	Additions	Reductions	Balance 06/30/10	Due Within One Year
New Mexico Finance Authority	\$ -	\$ 89,500	\$ 4,369	\$ 85,131	\$ 4,380
New Mexico Finance Authority	-	187,120	9,356	177,764	9,356
Compensated absences	3,568	5,879	5,243	4,204	2,249
Total	\$ 3,568	\$ 282,499	\$ 18,968	\$ 267,099	\$ 15,985

Compensated absences typically have been liquidated in the proprietary fund.

The Village obtained a \$89,500 loan from the State of New Mexico Finance Authority, during the 2010 fiscal year; the purpose of the loan was for water infrastructure improvements. The note bears no interest and payments begin June 1, 2010 through June 1, 2029. The payment amounts are as follows:

Due in Year Ending	Principal
2011	\$ 4,380
2012	4,391
2013	4,402
2014	4,413
2015	4,425
2016 - 2020	22,235
2021 - 2025	22,513
2026 - 2030	18,372
	<u>\$ 85,131</u>

The Village obtained a \$187,120 loan from the State of New Mexico Finance Authority, during the 2010 fiscal year; the purpose of the loan was for water infrastructure improvements. The note bears no interest and payments begin June 1, 2006 through June 1, 2029. The payment amounts are as follows:

Due in Year Ending	Principal
2011	9,356
2012	9,356
2013	9,356
2014	9,356
2015	9,356
2016 - 2020	46,780
2021 - 2025	46,780
2026 - 2030	37,424
	<u>\$ 177,764</u>

7. RISK MANAGEMENT

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

The Village has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insured Fund, a public entity risk pool currently operating as a common risk management and insurance program for local government. The Village pays an annual premium to New

Mexico Self-Insured Fund for general insurance coverage and all risk of loss is transferred.

8. PERA PENSION PLAN

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

Funding Policy - Plan members are required to contribute 7% for municipal employees and 13.5% of gross salaries for law enforcement employees. The Village is required to contribute 9.15% for law enforcement plan members and 9.15% for all other plan members. The contribution requirements of plan members and Village of Columbus are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contribution to PERA for the years ended June 30, 2010 and 2009 were \$37,056 and \$20,715, respectively, equal the amount of the required contributions for the fiscal year. The fiscal year ended June 30, 2009 was the first year the Village participated in the retirement plan.

9. POST-EMPLOYMENT BENEFITS

The Village of Columbus did not participate in the Retiree Health Care Act Program during the fiscal year ending June 30, 2010.

10. DEFICIT FUND BALANCE

The following funds had deficit fund balances as of June 30, 2010:

General Fund	\$	206,234
Fire		3,116
Grants		231,957
Recreation		1,108
Library		33,748
Cemetery		150
Law Enforcement Protection		5,925
Gasoline Tax		5,520
Community Center		161
SAP 07-L-G5572 LGD Colonias		17,896

The general fund had a short fall of available cash. This is normally transferred to the funds to cover the deficient that occurred during the year ending June 30, 2010.

11. FEDERAL AND STATE GRANTS

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

12. INTER-FUND TRANSFERS AND BALANCES

The composition of inter-fund transfers during the year ended June 30, 2010 are as follows:

Amount	From	To	Purpose
\$ 174,017	General Fund	Various	To fund operations
3,950	Environmental GRT	General Fund	To fund operations
2,190,699	Capital Project Funds	Enterprise Fund	To transfer capital assets

13. EXCESS EXPENDITURES OVER APPROPRIATIONS

New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. The Village exceeded its authorized budget by \$1,283,020 as follows:

Fund	Reason	Budget Expenses	Actual Expenses	Difference
General	Operating expenses	\$ 924,801	\$ 1,354,549	\$ 429,748
Fire	Operating expenses	97,755	102,394	4,639
Recreation	Operating expenses	-	17,207	17,207
Corrections	Operating expenses	-	3,984	3,984
Lodgers Tax	Operating expenses	1,500	2,514	1,014
Cemetery	Operating expenses	-	400	400
EMS	Operating expenses	339,217	388,340	49,123
SAP 08-LG-4345 Ball Park	Capital outlay	-	7,040	7,040
SAP 08-LG-3240 Library	Capital outlay	-	131,682	131,682
SAP 08-LG-520 City Hall	Capital outlay	-	15,001	15,001
JPA NM Border Authority	Capital outlay	-	15,283	15,283
MVA2- Solar Panel	Capital outlay	-	2,245	2,245
MVA1- Gazebo	Capital outlay	-	21,745	21,745
DOJ 08	Capital outlay	-	24,214	24,214
DOJ 09	Capital outlay	-	5,034	5,034
Stoneguard	Capital outlay	-	6,467	6,467
Joint Utilities	Operating expenses	411,898	960,092	548,194

In addition, the Village budgeted deficits in funds as follows:

Fund	Budgeted Deficit
Recreation	\$ 1,218
Library	33,748
Fire	6,097
Law Enforcement Protection	16,899
Community Center	161
SAP 07-L-G552 LGD Colonias	33,398

14. SUBSEQUENT EVENTS

The Village has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies constitute future commitments.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

RECREATION FUND - To account for operations of summer recreation programs. Financing is provided by cigarette tax, a joint powers agreement from Luna County, and service charges (NMSA 7-12-6.11).

LIBRARY FUND - To account for the State grant, a joint powers agreement from Luna County, and private donations, and service charges to be utilized for the acquisition of library materials and operations. (NMSA 18-15-4 and Village Council Ordinance).

LODGER'S TAX FUND - To account for expenditures for the promotion of the Columbus area. Financing is provided by a tax charged on motel rooms in the Village of Columbus (NMSA 3-38-13 to 3-38-24).

CEMETERY FUND - To account for the operations of the Village cemetery. Financing is provided by lot sales, burial permits and the Garden Club (NMSA 3-40-1 to 3-40-9).

LAW ENFORCEMENT PROTECTION FUND - State Statutes Section 29-13 provides for the distribution of funds from the State Law Enforcement Protection Fund to municipal and village police and sheriff department for the maintenance and improvement of those departments in order to enhance the efficiency and effectiveness of law enforcement services provided. The fund is used to account for specific law enforcement expenditures not included in the general fund. Financing is provided by a state allocation and can only be used for law enforcement equipment and personnel training (NMSA 29-13-3).

GASOLINE TAX - To account for the street and highway improvements of the Village not funded by special sources. Financing is provided by State Gasoline Tax (NMSA 7-1-6.26).

ENVIRONMENTAL GROSS RECEIPTS TAX FUND - To account for the operation and maintenance of funds restricted for the operation and closure of landfills. Funding is provided by a 1/4 of 1% tax on the gross receipts of the Village (NMSA 7-20E-26).

INFRASTRUCTURE GROSS RECEIPTS TAX FUND - To account for the operation and maintenance of funds restricted for the repair and replacement of infrastructure improvements. Funding is provided by a 1/2 of 1% tax on the gross receipts of the Village. The funds may be used only for sewer and street repairs and replacements, or for the acquisition of rights-of-way (NMSA 17-19D- 11).

COMMUNITY CENTER FUND - To account for revenues and expenditures relating to the community center. Authority is by resolution.

CAPITAL PROJECTS FUNDS LISTING

RUS/WW USDA/RD - To account for federal grant activity for wastewater system improvements. Authority is by grant agreement. No budget was adopted for this fund, because no resolutions were adopted to change the budget to include the listed grants.

SAP 07-L-G-5323-24-25 - To account for grant activity for the purchase of a van, backhoe and improvements of the park and addition of a playground. Authority is by grant agreement. No budget was adopted for this fund, because no resolutions were adopted to change the budget to include the listed grants.

SAP 07-L-G552 LGD COLONIAS - To account for grant activity. Authority is by grant agreement. No budget was adopted for this fund, because no resolutions were adopted to change the budget to include the listed grants.

FEMA 1659-DR-NM - To account for FEMA funds for disaster relief due to damage all village streets due to flooding. Village personnel did the work and purchased material. Suppliers previously employed reniged on contract. Used another supplier to finish project. Former Grant Administrator, Paul Nimick, administered the

project.

SAP-08-LG-4345 BALL PARK – To account for grant to install turf at baseball field and to install lighting. These two projects were separate and we are not sure if this grant covered the turf or lighting.

SAP-08-LG-3240 LIBRARY – To account for grant for roof replacement on library.

SAP-08-LG-520-CITY HALL – To account for grant to refurbish the city hall building.

JPA-NM BORDER AUTHORITY – To account for grant to construct a shade structure for children who load on school buses at Port of Entry. It was joint effort between NM Border Authority, Village of Columbus, and Deming Public Schools.

09-39-07 COLONIAS – To account for grant for either sewer or water improvements.

MVA2 – SOLAR PANEL – To account for grant from Mimbres Valley Authority to install solar panel heating at the municipal pool.

MVA1- GAZEBO – To account for grant to build new gazebo in the village park. Youth labor was used to demolish old gazebo. Friends of the Library were to supply funds to build new gazebo, but project was never completed.

DOJ 08 – To account for grant to Police Department.

DOJ 09 – To account for grant to Police Department.

STONEGARDEN – To account for grant to Police Department.

SAP LGD-06-545 - To account for grant activity for water and wastewater system improvements from the Local Government Division, Department of Finance and Administration. Authority is by grant agreement. No budget was adopted for this fund, because no resolutions were adopted to change the budget to include the listed grants.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL TYPES
JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and cash equivalents	\$ 10,820	\$ -	\$ 10,820
Due from other funds	<u>-</u>	<u>86,210</u>	<u>86,210</u>
Total assets	<u>\$ 10,820</u>	<u>\$ 86,210</u>	<u>\$ 97,030</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,795	\$ -	\$ 2,795
Accrued salaries	954	-	954
Due to other governments	<u>32,869</u>	<u>33,398</u>	<u>66,267</u>
Total liabilities	36,618	33,398	70,016
Fund balance:			
Restricted for capital projects funds	-	52,812	52,812
Restricted for special revenue funds	<u>(25,798)</u>	<u>-</u>	<u>(25,798)</u>
Total fund balance	<u>(25,798)</u>	<u>52,812</u>	<u>27,014</u>
Total liabilities and fund balances	<u>\$ 10,820</u>	<u>\$ 86,210</u>	<u>\$ 97,030</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
NON-MAJOR GOVERNMENTAL TYPES
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Total
REVENUES			
Cigarette tax	\$ 87	\$ -	\$ 87
Gross receipts tax environmental	4,916	-	4,916
Gasoline tax municipal	7,816	-	7,816
Lodger's tax	2,982	-	2,982
Charges for services	1,855	-	1,855
Joint power agreements	12,000	-	12,000
State allocation	54,330	-	54,330
Federal grants	-	23,315	23,315
State grants	-	2,463,131	2,463,131
Contributions/donations	3,625	-	3,625
	<u>87,611</u>	<u>2,486,446</u>	<u>2,574,057</u>
Total revenues			
EXPENDITURES			
Current:			
General government	2,514	-	2,514
Public safety	23,797	-	23,797
Public works	48,447	-	48,447
Culture and recreation	17,207	-	17,207
Health and welfare	400	-	400
Capital outlay	-	228,711	228,711
	<u>92,365</u>	<u>228,711</u>	<u>321,076</u>
Total expenditures			
Excess (deficiency) revenues over (under) expenditures	(4,754)	2,257,735	2,252,981
OTHER FINANCING SOURCES (USES)			
Transfers in	(3,950)	(2,190,699)	(2,194,649)
Transfers out	-	-	-
	<u>(3,950)</u>	<u>(2,190,699)</u>	<u>(2,194,649)</u>
Total other financing sources (uses)			
Net change in fund balance	(8,704)	67,036	58,332
Fund balance beginning of year	<u>(17,094)</u>	<u>(14,224)</u>	<u>(31,318)</u>
Fund balance end of year	<u>\$ (25,798)</u>	<u>\$ 52,812</u>	<u>\$ 27,014</u>

See independent auditors' report and accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Recreation	Libraries	Lodger's Tax	Cemeteries	Police Enforcement	Sanitation	Environmental Infrastructure	Community Center	Total
ASSETS									
Cash and cash equivalents	17		7,170	(1,500)	(4,630)	(5,331)	1,332		10,829
Total assets	17		7,170	(1,500)	(4,630)	(5,331)	1,332		10,829
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	460	879			1,295	289		161	2,905
Accrued salaries	605								954
Due to other governments		12,869							12,869
Total liabilities	1,125	13,748			1,295	289		161	16,528
Fund balance									
Restricted for special revenue funds	(1,108)	(13,748)	7,170	(1,500)	(5,925)	(5,830)	1,412	(161)	(25,790)
Total fund balance	(1,108)	(13,748)	7,170	(1,500)	(5,925)	(5,830)	1,412	(161)	(25,790)
Total liabilities and fund balance	17		7,170	(1,500)	(4,630)	(5,331)	1,332		10,829

See independent auditor's report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Retardation	Libros	Laderna, 1st	Comarcas	Las Infraestructura	Leasoline	Estadamental	Infraestructura	Comunally	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
State Receipt Tax on Motor Fuel	87						4,010			4,097
Gasoline Tax Municipal			2,962			1,516				4,478
Local Tax	1,608			250						1,858
State Govt for Services	(2,800)									(2,800)
Local Police Operations					13,555	1,425				14,980
Other Expenditures										14,381
Total Revenues	1,095		2,962	250	13,805	1,425	4,010			23,457
EXPENDITURES										
General Government			2,514							2,514
Public Safety				49						49
Public Works				40						40
Police and Protection										13,927
Health and Welfare										38,847
Total Expenditures			2,514	89						23,323
Change in Fund Balance	1,095		448	161	(4,982)	(1,550)	1,376			(4,259)
Initial Fund Balance										13,984
Final Fund Balance	1,095		448	161	(4,982)	(1,550)	1,376			9,725
Net Change in Fund Balance	1,095		448	161	(4,982)	(1,550)	1,376			(4,534)
Initial Fund Balance	13,984									13,984
Final Fund Balance	15,079		4,750	708	11,326	1,171				32,934
Change in Fund Balance	1,095		448	161	(4,982)	(1,550)	1,376			18,950

Not independent and have received and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - RECREATION
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Cigarette tax	\$ -	\$ -	\$ 87	\$ 87
Joint powers agreements	-	-	12,000	12,000
Contributions	-	-	3,625	3,625
Charges for services	-	-	1,605	1,605
Total revenues	-	-	17,317	17,317
EXPENDITURES:				
Current				
Cultural and recreation	-	-	17,207	(17,207)
Total expenditures	-	-	17,207	(17,207)
Excess (deficiency) of revenues over expenditures	-	-	110	110
Net changes in fund balance Non-GAAP basis	-	-	110	110
Fund balance - beginning	(1,218)	(1,218)	(1,218)	-
Fund balance - ending	\$ (1,218)	\$ (1,218)	\$ (1,108)	\$ 110
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			110	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 110	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - LIBRARY
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Charges for services	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Cultural and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	(33,748)	(33,748)	(33,748)	-
Fund balance - ending	<u>\$ (33,748)</u>	<u>\$ (33,748)</u>	<u>\$ (33,748)</u>	<u>\$ -</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			<u>\$ -</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - LODGER'S TAX
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Lodger's tax	\$ 3,200	\$ 3,200	\$ 2,982	\$ (218)
Total revenues	3,200	3,200	2,982	(218)
EXPENDITURES:				
Current				
General government	1,500	1,500	2,514	(1,014)
Total expenditures	1,500	1,500	2,514	(1,014)
Excess (deficiency) of revenues over expenditures	1,700	1,700	468	(1,232)
Net changes in fund balance Non-GAAP basis	1,700	1,700	468	(1,232)
Fund balance - beginning	6,702	6,702	6,702	-
Fund balance - ending	\$ 8,402	\$ 8,402	\$ 7,170	\$ (1,232)
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			468	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 468	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - CEMETERY
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 250	\$ 250
Total revenues	-	-	250	250
EXPENDITURES:				
Current				
Health and welfare	-	-	400	(400)
Total expenditures	-	-	400	(400)
Excess (deficiency) of revenues over expenditures	-	-	(150)	(150)
Net changes in fund balance Non-GAAP basis	-	-	(150)	(150)
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ (150)	\$ (150)
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			(150)	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ (150)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State allocation	\$ 20,000	\$ 20,000	\$ 18,855	\$ (1,145)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>18,855</u>	<u>(1,145)</u>
EXPENDITURES:				
Current				
Public safety	<u>35,916</u>	<u>35,916</u>	<u>23,797</u>	<u>12,119</u>
Total expenditures	<u>35,916</u>	<u>35,916</u>	<u>23,797</u>	<u>12,119</u>
Excess (deficiency) of revenues over expenditures	<u>(15,916)</u>	<u>(15,916)</u>	<u>(4,942)</u>	<u>(13,264)</u>
Net changes in fund balance Non-GAAP basis	(15,916)	(15,916)	(4,942)	(13,264)
Fund balance - beginning	<u>(983)</u>	<u>(983)</u>	<u>(983)</u>	<u>-</u>
Fund balance - ending	<u>\$ (16,899)</u>	<u>\$ (16,899)</u>	<u>\$ (5,925)</u>	<u>\$ (13,264)</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			(4,942)	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ (4,942)</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - GASOLINE TAX
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Gasoline tax municipal	\$ 56,600	\$ 56,600	\$ 43,291	\$ (13,309)
Total revenues	56,600	56,600	43,291	(13,309)
EXPENDITURES:				
Current				
Public works	50,921	50,921	48,447	2,474
Total expenditures	50,921	50,921	48,447	2,474
Excess (deficiency) of revenues over expenditures	5,679	5,679	(5,156)	(10,835)
Net changes in fund balance Non-GAAP basis	5,679	5,679	(5,156)	(10,835)
Fund balance - beginning	(364)	(364)	(364)	-
Fund balance - ending	\$ 5,315	\$ 5,315	\$ (5,520)	\$ (10,835)
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			(5,156)	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ (5,156)	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - ENVIRONMENTAL GROSS RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Gross receipts tax environmental	\$ -	\$ -	\$ 4,916	\$ 4,916
Total revenues	-	-	4,916	4,916
EXPENDITURES:				
Current				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	4,916	4,916
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(3,950)	(3,950)
Total other financing sources (uses)	-	-	(3,950)	(3,950)
Net changes in fund balance Non-GAAP basis	-	-	966	966
Fund balance - beginning	11,346	11,346	11,346	-
Fund balance - ending	\$ 11,346	\$ 11,346	\$ 12,312	\$ 966
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			966	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 966	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR SPECIAL REVENUE FUND - INFRASTRUCTURE GROSS RECEIPTS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Gross receipts tax infrastructure	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	1,332	1,332	1,332	-
Fund balance - ending	<u>\$ 1,332</u>	<u>\$ 1,332</u>	<u>\$ 1,332</u>	<u>\$ -</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			<u>\$ -</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR SPECIAL REVENUE FUND - COMMUNITY CENTER
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Cultural and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	(161)	(161)	(161)	-
Fund balance - ending	\$ (161)	\$ (161)	\$ (161)	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

CAPITAL PROJECTS FUNDS

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	SAP 07- LG-5123- 24-25	SAP 07- G552 LCD Colombia	FEMA 1609-DR- NM	SAP 08- LG-4345 Ball Park	SAP 08- LG-3240 Library	SAP 08- LG-520 City Hall	JPA NM Border Authority	09-3907 Colombia	MVA2- Solar Panel	MVA1- Garrito	DQM-08	DQM-09	Nonsparden	SAP 10-3D 06-545	Total
ASSETS															
Due from other funds	\$	\$ 15,502	\$	\$	\$	\$	\$	\$ 52,910	\$	\$ 755	\$ 10,037	\$ 2,039	\$ 4,967	\$	\$ 86,210
Total assets	\$	\$ 15,502	\$	\$	\$	\$	\$	\$ 52,910	\$	\$ 755	\$ 10,037	\$ 2,039	\$ 4,967	\$	\$ 86,210
LIABILITIES AND FUND BALANCE															
Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 33,998
Due to other governments	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 33,998
Total liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 33,998
Fund balance	\$	\$ 117,890	\$	\$	\$	\$	\$	\$ 52,910	\$	\$ 755	\$ 10,037	\$ 2,039	\$ 4,967	\$	\$ 52,812
Restricted for capital purposes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 52,812
Total liabilities and fund balance	\$	\$ 117,890	\$	\$	\$	\$	\$	\$ 52,910	\$	\$ 755	\$ 10,037	\$ 2,039	\$ 4,967	\$	\$ 86,210

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

REVENUES	SAP-07- UG-5123- 24-25	SAP-07-J- 6553 LGD Columbus	FEMA 1650-DR- NM	SAP-08- UG-0346 Hill Park	SAP-08- EG-3240 Library	SAP-08- LG-520 Cts Hall	JPA NM Border Authority	09-3907 Columbus	MVA2- Solar Panel	MVA1- Garzbo	DOJ-08	DOJ-09 Stoneguarden	SAP LGH 06-545	Total
Federal grants	\$ 21,315	\$ -	\$ -	\$ 7,040	\$ 235,856	\$ 15,001	\$ 15,283	\$ 66,350	\$ 2,245	\$ 22,500	\$ 41,251	\$ -	\$ -	\$ 21,315
State grants		152,454	147,491	7,040	235,856	15,001	15,283	66,350	2,245	22,500	41,251	-	-	2,463,131
Total revenues	23,315	152,454	147,491	7,040	235,856	15,001	15,283	66,350	2,245	22,500	41,251	-	-	2,463,131
EXPENDITURES														
Capital outlay				7,040	131,682	15,001	15,283		2,245	21,245	34,214	5,034	6,467	228,711
Total expenditures				7,040	131,682	15,001	15,283		2,245	21,245	34,214	5,034	6,467	228,711
Excess (deficiency) of revenues over (under) expenditures	23,315	152,454	147,491	-	104,174	-	-	66,350	-	755	10,037	2,019	-4,967	2,234,420
OTHER FINANCING SOURCES (USES)														
Operating transfers in	(23,315)	(136,952)	(142,491)		(104,174)			(13,310)						(2,190,692)
Total other financing source (uses)	(23,315)	(136,952)	(142,491)		(104,174)			(13,310)						(2,190,692)
Net change in fund balance	(19,174)	15,502						52,910		755	10,037	2,019	-4,967	67,036
Fund balance, beginning of year	19,174	(133,390)												(113,224)
Fund balance, end of year	-	(117,888)						52,910		755	10,037	2,019	-4,967	(46,188)

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - RUS/WW/USDW/RD
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Federal grants	\$ -	\$ -	\$ 23,315	\$ 23,315
Total revenues	-	-	23,315	23,315
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	23,315	23,315
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(23,315)	(23,315)
Total other financing sources (uses)	-	-	(23,315)	(23,315)
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - SAP 07-LG-5323-2425
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(19,174)	(19,174)
Total other financing sources (uses)	-	-	(19,174)	(19,174)
Net changes in fund balance Non-GAAP basis	-	-	(19,174)	(19,174)
Fund balance - beginning	19,174	19,174	19,174	-
Fund balance - ending	<u>\$ 19,174</u>	<u>\$ 19,174</u>	<u>\$ -</u>	<u>\$ (19,174)</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			(19,174)	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			<u>\$ (19,174)</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - SAP 07-L-G552 LGD COLONIAS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 152,454	\$ 152,454
Total revenues	-	-	152,454	152,454
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	152,454	152,454
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(136,952)	(136,952)
Total other financing sources (uses)	-	-	(136,952)	(136,952)
Net changes in fund balance Non-GAAP basis	-	-	15,502	15,502
Fund balance - beginning	(33,398)	(33,398)	(33,398)	-
Fund balance - ending	\$ (33,398)	\$ (33,398)	\$ (17,896)	\$ 15,502
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			15,502	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			\$ 15,502	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - FEMA 1659-DR-NM
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 147,491	\$ 147,491
Total revenues	-	-	147,491	147,491
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	147,491	147,491
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(147,491)	(147,491)
Total other financing sources (uses)	-	-	(147,491)	(147,491)
Net changes in fund balance Non-GAAP basis	-	-	-	147,491
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ 147,491
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis		-	\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR CAPITAL PROJECTS FUND - SAP 08-LG-4345 BALL PARK
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 7,040	\$ 7,040
Total revenues	-	-	7,040	7,040
EXPENDITURES:				
Current				
Capital outlay	-	-	7,040	(7,040)
Total expenditures	-	-	7,040	(7,040)
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			<u>\$ -</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND SAP-08-LG-3240 LIBRARY
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 235,856	\$ 235,856
Total revenues	-	-	235,856	235,856
EXPENDITURES:				
Current				
Capital outlay	-	-	131,682	(131,682)
Total expenditures	-	-	131,682	(131,682)
Excess (deficiency) of revenues over expenditures	-	-	104,174	104,174
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(104,174)	(104,174)
Total other financing sources (uses)	-	-	(104,174)	(104,174)
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	-	-	-	-
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR CAPITAL PROJECTS FUND -SAP 08-LG-520 CITY HALL
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 15,001	\$ 15,001
Total revenues	-	-	15,001	15,001
EXPENDITURES:				
Current				
Capital outlay	-	-	15,001	(15,001)
Total expenditures	-	-	15,001	(15,001)
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - JPA NM BORDER AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 15,283	\$ 15,283
Total revenues	-	-	15,283	15,283
EXPENDITURES:				
Current				
Capital outlay	-	-	15,283	(15,283)
Total expenditures	-	-	15,283	(15,283)
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis		-	\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND -09-39-07 COLONIAS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 66,250	\$ 66,250
Total revenues	-	-	66,250	66,250
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	66,250	66,250
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(13,340)	(13,340)
Total other financing sources (uses)	-	-	(13,340)	(13,340)
Net changes in fund balance Non-GAAP basis	-	-	52,910	52,910
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 52,910	\$ 52,910
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			52,910	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 52,910	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - MVA2 - SOLAR PANEL
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 2,245	\$ 2,245
Total revenues	-	-	2,245	2,245
EXPENDITURES:				
Current				
Capital outlay	-	-	2,245	(2,245)
Total expenditures	-	-	2,245	(2,245)
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
 VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 NON-MAJOR CAPITAL PROJECTS FUND - MVA1 - GAZEBO
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 22,500	\$ 22,500
Total revenues	-	-	22,500	22,500
EXPENDITURES:				
Current				
Capital outlay	-	-	21,745	(21,745)
Total expenditures	-	-	21,745	(21,745)
Excess (deficiency) of revenues over expenditures	-	-	755	755
Net changes in fund balance Non-GAAP basis	-	-	755	755
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 755	\$ 755
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			755	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 755	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - DOJ 08
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 34,251	\$ 34,251
Total revenues	-	-	34,251	34,251
EXPENDITURES:				
Current				
Capital outlay	-	-	24,214	(24,214)
Total expenditures	-	-	24,214	(24,214)
Excess (deficiency) of revenues over expenditures	-	-	10,037	10,037
Net changes in fund balance Non-GAAP basis	-	-	10,037	10,037
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 10,037	\$ 10,037
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			10,037	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 10,037	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - DOJ 09
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 7,073	\$ 7,073
Total revenues	-	-	7,073	7,073
EXPENDITURES:				
Current				
Capital outlay	-	-	5,034	(5,034)
Total expenditures	-	-	5,034	(5,034)
Excess (deficiency) of revenues over expenditures	-	-	2,039	2,039
Net changes in fund balance Non-GAAP basis	-	-	2,039	2,039
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 2,039	\$ 2,039
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			2,039	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ 2,039	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - STONEGUARDEN
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 11,434	\$ 11,434
Total revenues	-	-	11,434	11,434
EXPENDITURES:				
Current				
Capital outlay	-	-	6,467	(6,467)
Total expenditures	-	-	6,467	(6,467)
Excess (deficiency) of revenues over expenditures	-	-	4,967	4,967
Net changes in fund balance Non-GAAP basis	-	-	4,967	4,967
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 4,967	\$ 4,967
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			4,967	
Revenue accrual		-		
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			\$ 4,967	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL ON BUDGETARY BASIS
NON-MAJOR CAPITAL PROJECTS FUND - SAP LGD-06-545
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State grants	\$ -	\$ -	\$ 1,746,253	\$ 1,746,253
Total revenues	-	-	1,746,253	1,746,253
EXPENDITURES:				
Current				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,746,253	1,746,253
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(1,746,253)	(1,746,253)
Total other financing sources (uses)	-	-	(1,746,253)	(1,746,253)
Net changes in fund balance Non-GAAP basis	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			-	
Revenue accrual		-		
Expenditure accrual		-		
Excess of revenues over expenditures - GAAP basis			\$ -	

See independent auditors' report and accompanying notes to financial statements.

PROPRIETARY FUND BUDGET

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL ON BUDGETARY BASIS
PROPRIETARY FUND - JOINT UTILITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Water and Sewer:				
Utilities services	\$ 420,660	\$ 420,660	\$ 353,310	\$ (67,350)
Gross receipts taxes	15,000	15,000	17,897	2,897
Miscellaneous	-	-	1,297	1,297
	<u>435,660</u>	<u>435,660</u>	<u>372,504</u>	<u>(63,156)</u>
Landfill:				
Sales	54,000	54,000	76,413	22,413
Miscellaneous	12,000	12,000	10,000	(2,000)
	<u>66,000</u>	<u>66,000</u>	<u>86,413</u>	<u>20,413</u>
Total revenue	<u>501,660</u>	<u>501,660</u>	<u>458,917</u>	<u>(42,743)</u>
EXPENDITURES:				
Water and Sewer:				
Personnel	317,447	317,447	346,389	(28,942)
Operating expenses	-	-	-	-
	<u>317,447</u>	<u>317,447</u>	<u>346,389</u>	<u>(28,942)</u>
Landfill:				
Personnel	94,451	94,451	613,703	(519,252)
	<u>94,451</u>	<u>94,451</u>	<u>613,703</u>	<u>(519,252)</u>
Total expenses	<u>411,898</u>	<u>411,898</u>	<u>960,092</u>	<u>(548,194)</u>
Excess (deficiency) of revenues over expenditures	<u>89,762</u>	<u>89,762</u>	<u>(501,175)</u>	<u>505,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	28,451	-	2,368,666	2,368,666
Total other financing sources (uses)	<u>28,451</u>	<u>-</u>	<u>2,368,666</u>	<u>2,368,666</u>
Net changes in fund balance Non-GAAP basis	<u>118,213</u>	<u>89,762</u>	<u>1,867,491</u>	<u>2,874,117</u>
Fund balance - beginning	<u>8,174,698</u>	<u>8,174,698</u>	<u>8,174,698</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,292,911</u>	<u>\$ 8,264,460</u>	<u>\$ 10,042,189</u>	<u>\$ 2,874,117</u>
Reconciliation in fund balance - budgetary basis				
Net change in fund balance - budgetary basis			1,867,491	
Depreciation expense		-	-	
Expenditure accrual		-	-	
Excess of revenues over expenditures - GAAP basis			\$ 1,867,491	

See independent auditors' report and accompanying notes to financial statements.

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2010

Municipal Court	Balance 6/30/09	Additions	Reductions	Balance 6/30/10
ASSETS				
Cash and cash equivalents	\$ 2,524	\$ -	\$ -	\$ 2,524
Total assets	\$ 2,524	\$ -	\$ -	\$ 2,524
LIABILITIES				
Accounts payable	\$ 2,524	\$ -	\$ -	\$ 2,524
Total liabilities	\$ 2,524	\$ -	\$ -	\$ 2,524

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

SCHEDULE OF DEPOSITORIES
JUNE 30, 2010

	Type	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
First New Mexico Bank					
General - Operating	CK	\$ 501,920	\$ -	\$ 245,300	\$ 256,620
General	CD	63,759	-	-	63,759
General	CD	77,298	-	-	77,298
Corrections	CK	5,388	-	-	5,388
EMS	CD	17,115	-	-	17,115
Cemetery	CK	5,859	-	-	5,859
USDA H2O	CK	140	-	-	140
USDA Wastewater	CK	194	-	-	194
Total		<u>\$ 671,673</u>	<u>\$ -</u>	<u>\$ 245,300</u>	<u>\$ 426,373</u>
Reconciliation:					
Government-Wide Cash					\$ 686,322
Fiduciary Funds					6,233
Total					<u>\$ 692,555</u>

Type:

CK= Checking

SV= Savings

CD= Certificate of Deposit

	1st New Mexico Bank
Amount held in bank June 30, 2010	\$ 671,673
Less FDIC Insurance	<u>250,000</u>
Uninsured Public Funds	421,673
50% Collateral Requirements (Section 6-10-17 NMSA-1978)	210,837
Pledged Securities	<u>510,000</u>
Over (Under) Collateralized	<u>\$ 299,163</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

<u>Description of Pledged Collateral</u>	<u>Amount</u>	<u>Name and Location of Safekeeper</u>
Bloomfield NM, CUSIP#094072BE4, Maturing 8/15/2013	\$ 80,000	Federal Home Loan Bank of Dallas
Catron & Cibola Cntys NM ISD #2, CUSIP#149321BQ3, Maturing 7/15/2014	130,000	Federal Home Loan Bank of Dallas
Santa Rosa NM, CUSIP#802751CA3, Maturing 7/1/2012	<u>300,000</u>	Federal Home Loan Bank of Dallas
Total pledged securities	<u>\$ 510,000</u>	Federal Home Loan Bank of Dallas

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

JOINT POWERS AGREEMENTS
JUNE 30, 2010

Participants	Village of Columbus and Luna County
Responsible Party	Luna County
Description	Luna County shall continue to provide funding for EMS, Fire, Landfill, Recreation, Library, and the Community Center.
Period	Perpetual
Project Costs	\$115,000
County Contribution	\$115,000
Audit responsibility	Luna County

See independent auditors' report and accompanying notes to financial statements.

COMPLIANCE SECTION

**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**

Hector H. Balderas,
New Mexico State Auditor
The Board of Trustees
Village of Columbus
Columbus, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the Village as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements and have issued our report thereon dated April 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (05-02, 05-04, 07-01, 07-02, 09-01, 10-01, 10-02, 10-03, 10-04, 10-05, 10-06, 10-07, 10-08 and 10-09). 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of finds and questioned costs as items (05-02, 05-04, 07-01, 07-02, 09-01, 10-01, 10-02, 10-03, 10-04, 10-05, 10-06, 10-07, 10-08 and 10-09).

We noted certain matters that are required to be required under *Government Auditing Standards January 2007* Revision paragraphs 5.14 and 5.16, Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings (05-02, 05-04, 07-01, 07-02, 09-01, 10-01, 10-02, 10-03, 10-04, 10-05, 10-06, 10-07, 10-08 and 10-09).

The Village's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, the Board of Trustee, management, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

White & Samaniego + Campbell, LLP

El Paso, Texas
April 19, 2012

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

Section II - Financial Statements Findings

PRIOR YEAR FINDINGS

05-02	Legal Compliance with Budget	Repeated
05-04	Late Audit Report	Repeated
07-01	Failure to Prepare Accurate Budget	Repeated
07-02	Failure to Apply GAAP	Repeated
09-01	Failure to Provide Information	Repeated

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

Legal Compliance with Budget (05-02)

CONDITION Section 6-6-6 of the New Mexico state statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payments in excess of the approved budget. During the fiscal year ended June 30, 2010, the Village remitted payments for goods and services in excess of the adopted budget as follows:

Fund	Reason	Budget Expenses	Actual Expenses	Difference
General	Operating expenses	\$ 924,801	\$ 1,366,568	\$ 441,767
Fire	Operating expenses	97,755	102,394	4,639
Recreation	Operating expenses	-	17,207	17,207
Corrections	Operating expenses	-	3,984	3,984
Lodgers Tax	Operating expenses	1,500	2,514	1,014
Cemetery	Operating expenses	-	400	400
EMS	Operating expenses	339,217	388,340	49,123
SAP 08-LG-4345 Ball Park	Capital outlay	-	7,040	7,040
SAP 08-LG-3240 Library	Capital outlay	-	131,682	131,682
SAP 08-LG-520 City Hall	Capital outlay	-	15,001	15,001
JPA NM Border Authority	Capital outlay	-	15,283	15,283
MVA2- Solar Panel	Capital outlay	-	2,245	2,245
MVA1- Gazebo	Capital outlay	-	21,745	21,745
DOJ 08	Capital outlay	-	24,214	24,214
DOJ 09	Capital outlay	-	5,034	5,034
Stoneguard	Capital outlay	-	6,467	6,467
Joint Utilities	Operating expenses	-411,898	960,092	548,194

In addition, the Village budgeted deficits in funds as follows:

Fund	Budgeted Deficit
Recreation	\$ 1,218
Library	33,748
Fire	6,097
Law Enforcement Protection	16,899
Community Center	161
Law Enforcement Protection	33,398

CRITERIA Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payment in excess of the approved budget. The Village officials and governing authorities have the obligation to follow applicable state statutes.

CAUSE Village personnel did not have adequate monitoring process in place to prevent the over-expenditures.

EFFECT Non-compliance with New Mexico state statutes could subject officials and employees to penalties and fines required by state statutes.

RECOMMENDATION We recommend that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

RESPONSE The Village has implemented procedures to insure compliance in the future.

Late Audit Report (05-04)

CONDITION The required submission date of the audit report for the fiscal year ended June 30, 2010 to the New Mexico State Auditor was December 1, 2010. The June 30, 2010 audited financial statements were submitted in April 2012.

CRITERIA New Mexico State Statutes Section 12-6-12 requires the state auditor to promulgate reasonable regulations necessary to carry out the duties of the office. NMAC 2-2-2-9 requires that the County submit the audit report by November 15 following the end of each fiscal year at June 30.

CAUSE The current year auditor's contract was not awarded in the normal course of distribution. Also, additional time was needed by the auditor to assemble the necessary financial information.

EFFECT Delays in the submission of the audit reports affecting the reporting of financial information to other state agencies and governments.

RECOMMENDATION The Village should work in conjunction with the auditors to ensure that the audit is submitted timely.

RESPONSE The Village will work with the auditors to see that the audit is scheduled and started as early as possible to ensure a timely submission.

Failure to Prepare Accurate Budget (07-01)

CONDITION The Village prepared a budget for the year ending June 30, 2010. There were no budgeted line items for revenue to be received from RUS/WW USDA/RD, SAP 07-LG-5323-24-25, SAP 07-L-G-LGD COLONIAS, FEMA 1659-DR-NM, SAP-08-LG-4345 BALL PARK, SAP-08-LG-3240 LINRARY, SAP-08-LG-520 CITY HALL, JPA-NM BORDER AUTHORITY, 09-39-07 COLONIAS, MVA2-SOLAR PANEL, MVA1-GAZEBO, DOJ 08, DOJ 09, STONEGARDEN, and SAP LGD-06-545, which are state and federal grants.

CRITERIA NMSA 1978 Section 6-6-2D requires the Village to make corrections, revisions, and amendments as necessary.

CAUSE The Village did not budget any revenue for the RUS/WW USDA/RD, SAP 07-LG-5323-24-25, SAP 07-L-G-LGD COLONIAS, FEMA 1659-DR-NM, SAP-08-LG-4345 BALL PARK, SAP-08-LG-3240 LINRARY, SAP-08-LG-520 CITY HALL, JPA-NM BORDER AUTHORITY, 09-39-07 COLONIAS, MVA2-SOLAR PANEL, MVA1-GAZEBO, DOJ 08, DOJ 09, STONEGARDEN, and SAP LGD-06-54. A request to amend its budget was not submitted to the State of New Mexico to include these revenues.

EFFECT The Village is not in compliance with NMSA 1978, Sections 6-6-2D.

RECOMMENDATION The Village should have a process in place to regularly review the budget and prepare corrections as needed.

RESPONSE The Village will monitor budgets in the future and make corrections as needed.

Failure to Apply GAAP (07-02)

CONDITION The Village did not maintain adequate accounting records in accordance with accounting principles generally accepted in the United States of America and could not provide complete, accurate, and timely information.

CRITERIA Key employees or management should be trained in GAAP principles in recording the Village's financial transactions and in preparing its financial statements (Subsection II, 2.2.2.8 NMAC; SAS 112).

CAUSE Key employees were not trained to be able to apply GAAP principles in recording the preparing the Village's financial statements.

EFFECT The key employees were not able to apply GAAP principles when recording transactions and in preparing the Village's financial statements. Due to this problem the employees could not provide complete, accurate, and timely information.

RECOMMENDATION We suggest that management ensure that all employees receive training in applying generally accepted accounting principles when recording daily transactions.

RESPONSE Staff will undergo appropriate training.

Failure to Provide Information (09-01)

CONDITION General ledger detail and subsidiary ledgers of numerous accounts were unable to be generated and provided to the auditors.

CRITERIA Detailed information is required to be provided to the auditors in order to test the detail and accuracy of information.

CAUSE The Village experienced a large amount of turnover while the FY09 audit was being performed.

EFFECT Certain accounts and transactions were not able to be audited.

RECOMMENDATION We recommend that the Village develop procedures for accounting and filing of all Village transactions, as well as cross train employees on these duties.

RESPONSE The recommendation will be adopted.

Accounting for Grants (10-01)

CONDITION	The Grant Department has implemented procedures to track cash receipts and disbursements for most grants but there is no system in place to record revenues and expenses accrued and to agree the amounts submitted for grant reimbursement to the amounts recorded in the cash basis general ledger listing. The departments that are receiving funding from granting agencies prepare reports without reconciling the data to the general ledger.
CRITERIA	Generally accepted accounting principles for reimbursable type grants require that revenues equal expenses for each accounting period. This is achieved through the recording of grant receivables or deferred revenue, as appropriate.
CAUSE	The Village does not have a procedure in place to reconcile expenditures charged to the grants to the general ledger. In addition, there are no procedures in place to provide for the proper line of communications between the grant's department and the accounting office.
EFFECT	Without a system in place to agree reimbursement requests to the general ledger, the Village's accounting records will not reflect an accurate presentation of grant funds received and spent. In addition, errors in accounting for grants may remain undetected and the reports submitted to granting agencies may not be correct or agree to the Village's general ledger transaction listing report.
RECOMMENDATION	Grant reimbursement requests should be agreed to and reconciled to the general ledger transactions listing, prior to submission, and supervisory review should be used to ensure that grants accounted for are recorded properly. Also, the records should show amounts owed by the granting agencies and amounts owed to vendors and contractors. If the grants received in advance, the Village should record the amount received as deferred revenue. Reconciliations to the general should be prepared at least monthly to ensure proper recording of transactions. Converting the Village's records to a full accrual basis will also help facilitate proper accounting and reporting for all grants.
RESPONSE	At the time of this audit, the Village of Columbus was recreating account history for the Grants Department as grants were not a part of the accounting system when the current treasurer arrived. Having established a history for each of the current grants, they may now be entered into the current accounting software system, Caselle.

Lack of Separation of Duties (10-02)

CONDITION	The same person who records cash receipts, also reconciles the general ledger for all bank accounts, prepares certain deposit slips, transfers funds between accounts, prepares journal entries to correct errors in posting of all transactions and posts the budget on the system. There are no controls in place to ensure separation of duties among employees.
CRITERIA	A strong system of controls required separation between custody of assets, recording of transactions and authorization of transactions. If a small number of employees does not allow for proper separation of duties, supervisory review can be used to compensate for the lack of separation of duties.

CAUSE	Separation of duties over cash receipts and disbursements is difficult to achieve in a small office environment.
EFFECT	Theft or defalcation could occur and remain undetected when proper controls are not in place over cash receipts and disbursements.
RECOMMENDATION	<p>Although the Village's office staff is small, steps could be taken to separate incompatible duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.</p> <p>Internal control is most effective when the bank reconciliation is prepared by someone not responsible for entries in the cash receipt. The person that posts and generates payroll checks should not be the same person that adds new employees to the system and the same person that reconciles payroll cash transactions. Also, the person that posts and reconciles transactions should not be the same person that corrects his or her own errors. Because this difficult to implement with an accounting department of just a few individuals, all of whom are involved in day-to-day record keeping, test reconciliation's should be made periodically by management, who, in addition, should review and approve, in writing, all reconciliation's which he or she does not prepare personally.</p>
RESPONSE	Due to the small size of the accounting department, the various financial functions were not separated during FY 2009-2010. At the present time, the full time treasurer and the part time assistant treasurer have identical duties. Therefore, it will be necessary for the mayor to perform test reconciliations periodically. These test reconciliations will be in addition to the mayor's review and approval in writing of all the reconciliations which he or she does not prepare personally.

Capital Assets (10-03)

CONDITION	An inventory of capital assets was not performed during FY10. The inventory listing is not maintained. Additions and disposals are not recorded. During our test work, we noted that the Village's capital asset records did not include any additions in the current year. It appears there may have been some additions as the city reported capital outlay of \$2,868,693.
CRITERIA	GASB 34 requires movements to report general infrastructure assets in the Statement of Net Assets. State law requires an annual inventory of capital assets be performed. Section 12-6-10, NMSA 1978, requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year.
CAUSE	The Village has not had the time and resources to update their fixed assets records.
EFFECT	Lack of an annual inventory and incomplete supporting documentation could lead to theft, misuse or unauthorized disposal without detection. Material misstatements of capital assets may result.
RECOMMENDATION	The City should maintain and update an accurate listing of all capital assets, including infrastructure, owned by the City and obtain services of an appraisal company to conduct an inventory of their infrastructure and produce an accurate listing. In addition, detail on current year activity should be maintained.

RESPONSE At this time, the village has re-implemented the policy of a bi-annual physical inventory of movable chattels and equipment to coincide with the year end insurance review of same. At that time, the process of regular maintenance of this inventory will commence. It is unknown at this time whether the Village of Columbus can afford appraisal services. The matter will be discussed at the budget hearings.

Tracking of Federal and State Awards (10-04)

CONDITION While performing the audit and reviewing the grant activity for the year ended June 30, 2010, it was observed that schedule the Village uses to track its grants did not accurately distinguish those awards that were federally funded and those that were state funded.

CRITERIA OMB Circular A-133 Subpart C states:

The auditee shall:

(a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year name of the Federal agency, and name of the pass-through entity.

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

CAUSE The process for capturing federal awards and contributed federal funds has gradually relaxed over time and it is no longer fully effective.

EFFECT Village personnel could unknowingly not be following the compliance requirements on state or federal money received due to misidentifying the source of the funds. The potential exists for federal awards to escape inclusion in the Single Audit procedures. This Village runs the risk of being out of compliance with OMB Circular A-133 Subpart C.

RECOMMENDATION The process for tracking federal grants should be improved to ensure the source funds for all grants are properly identified and recorded as such. This should include the CFDA number when applicable. As new grants are obtained, a determination should be made at the inception of the grant to determine its source.

It is recommended that a process be put in place to require all departments that receive contributed property be required to notify the finance department of the acquisition at the time of the contribution so it can be properly recorded in the accounting system and recorded on the schedule of federal awards, if applicable.

RESPONSE In addition to our response on item 10-01, the Village of Columbus is creating a desk manual in the Grant Department to implement these recommendations.

Lack of Supporting Documentation for Disbursements (10-05)

CONDITION	During audit test work of cash disbursements we selected 25 checks to trace to supporting documentation, such as invoice. The Village could not provide 24 of 25 supporting documents for a total of \$132,299.
CRITERIA	Failure to implement and follow sound accounting and internal control policies and procedures increases the risk that unauthorized transactions could occur, funds could be inappropriately accounted for, and transactions could be inaccurately recorded and reported.
CAUSE	The Village does not have sufficient internal controls in place to ensure all disbursements are supported by adequate documentation..
EFFECT	Lack of adequate documentation of disbursements increases the risk of preventing or detecting errors or irregularities on a timely basis.
RECOMMENDATION	We recommend that the Village re-evaluate the transition of management, so that the new management may assess what went wrong in order to ensure that such problems do not re-occur, and follow its own policies and procedures for record retention. Also, the Village must implement internal controls during the disbursement process to ensure supporting documentation is available for all payments.
RESPONSE	Vendor and all other accounting files from FY 2010-2011 to present are being maintained within the Office of the Treasurer. We have implemented a computer backup procedure whereby two alternate external hard drives are being used to complete a proper backup each day. Training has commenced and is ongoing, reference the proper maintenance of all public documents. The former statutorily appointed custodian of record's employment was terminated due to alleged egregious dereliction of duties.

Payroll Documentation (10-06)

CONDITION	<p>During our test work of payroll, it was noted the following:</p> <p>Treasurer-</p> <ul style="list-style-type: none">•Pay Period: May 12 to May 25, 2010 Timesheet for pay period was not approved by supervisor/manager. All timesheets should be approved by the employee's supervisor/manager.•Pay Period: June 23 to July 6, 2010 The employee incorrectly earned 12 hours of additional compensatory time during this period. According to the Village's Policy 5.6 Overtime (a), "full-time regular employees' compensatory time shall be accrued at the rate of 1.5 hours of paid time off for every hour worked over 40 hours per week." The Village incorrectly included hours not worked (such as compensatory time hours, holiday hours, sick hours) in the calculation of compensatory time hours earned.
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No timesheet exists for check #36157 (\$1,023.43) because this check is for 80 hours of compensatory time being paid to the employee, as indicated by the reduction of compensatory time according to the Village's report. According to the Village Policy 5.6 Overtime, compensatory time is only paid upon termination. No approval for compensatory time payment was provided.

Clerk -

•Pay Period: April 28 to May 11 to June 23 to July 6, 2010 (5 pay periods)
According to the Village's Budget Payroll 2010-2011, the approved regular pay rate for the fiscal year 2009 - 2010 for Elaine Camarena is \$10.00 per hour. During this period, the hourly rate was being paid at \$10.45 per hour. Incorrect pay rate resulted in a gross overpayment of \$165.60 for the given time period.

The Village provided memos from the Mayor supporting a pay rate of \$10.45 per hour; however, the board minute documentation provided does not confirm approval, in total, for a \$10.45 per hour pay rate for this period. According to the Village's Policy 5.2 Pay Rates, "All pay rates for appointed officers and employees heretofore adopted by the Board of Trustees are hereby authorized, ratified and confirmed. All pay rates shall continue to be adopted by the governing body." It is recommended that the board minutes reflect the amount of pay that is being paid to each employee upon hire and the amount of any pay increase approved during the year.

•Pay Period: May 12 to May 25, 2010
Timesheet for this pay period is not approved by supervisor/manager. All timesheets should be approved by the employee's supervisor/manager.

•Pay Period: June 9 to June 22, 2010
The employee incorrectly earned 4 hours of additional compensatory time during this period. According to the Village's Policy 5.6 Overtime (a), "full-time regular employees' compensatory time shall be accrued at the rate of 1.5 hours of paid time off for every hour worked over 40 hours per week." The Village incorrectly included hours not worked (such as compensatory time hours, holiday hours, sick hours) in the calculation of compensatory time hours earned.

Grant Administrator -

•Pay Period: May 12 to May 25, 2010
Timesheet for this pay period is not approved by supervisor/manager. All timesheets should be approved by the employee's supervisor/manager.

Police Office -

•Pay Period: April 28 to May 11 thru June 23 to July 6, 2010 (5 pay periods)
No PERA deductions were made during this period.

•Pay Period: April 28 to May 11, 2010
According to payroll documentation, this employee was paid an extra 23 hours at a rate of \$1.17 per hour and 160 hours at a rate of \$0.78 per hour on check #35805. The result of this transaction was an additional gross amount paid to the employee of \$151.71. No timesheet or additional documentation was provided as support for this additional pay.

Police Chief -

•Pay Periods: April 28 thru October 12, 2010 & October 27 to November 9, 2010 (13 pay periods)

Timesheet for this pay period is not approved by supervisor/manager. All timesheets should be approved by the employee's supervisor/manager.

•Pay Period: April 28 to May 11, 2010

Check #35802 for \$3,599.98 was paid to Vega as approved by the Board. Per Council Minutes dated May 13, 2010, "Mayor Espinoza asked for motion on Closed Session. Motion to approve Chief Vega with the temporary position of six (6) months as Assistant to the Mayor with additional duties apart from Police Chief with a compensation of \$3600.00 after taxes, motion made by Trustee R. Gutierrez, second by Trustee B. Gutierrez, all in favor, motion carried." The pay rate and hours used in QuickBooks were made to ensure the net pay for this check would be \$3,600. PERA was not deducted accordingly, at a 7% rate for this bonus payment.

•Pay Period: May 12 to May 25, 2010

Based on payroll documentation, the employee earned 22.5 compensatory hours. According to the Village's compensatory time documentation, this employee's compensatory time was not increased to reflect the amount earned. This results in the employee being short 22.5 hours of earned compensatory time.

•Pay Period: May 26 to June 8, 2010

Based on payroll documentation, the employee earned 15 compensatory hours. According to the Village's compensatory time documentation, this employee's compensatory time was not increased to reflect the amount earned. This results in the employee being short 15 hours of earned compensatory time.

•Pay Period: June 9 to June 22, 2010

For check #36014 (\$1,246.95), payroll documentation regarding the employee's hours, pay rate and amounts differ from the pay statement/cleared bank check. Although, the check cleared the bank at the appropriate amount, there should be no difference between the accounting software data and pay statements/cleared check.

•Pay Period: June 17 to June 30, 2010 (Not a scheduled pay period)

For check #36038 (\$2,266.34), payroll documentation regarding the employee's hours, pay rate and amounts differ from the pay statement/cleared bank check. There should be no difference between the accounting software data and pay statements/checks. Also, the check is dated 6/25/2010, before the pay period ended and no PERA deduction was made.

Additionally, no timesheet exists for check #36038 (\$2,266.34) because this check is for 144 hours of compensatory time being paid to the employee, as indicated by the reduction of compensatory time according to the Village's report. According to the Village Policy 5.6 Overtime, compensatory time is only paid upon termination. No approval for compensatory time payment was provided.

CRITERIA

According to the Village's Personnel Policies and Procedures, all employees should complete a timesheet for each payroll period and should be approved by the supervisor.

CAUSE The Village was not keeping good records and supervision. Supporting documentation for payroll was missing and there is no way to verify that the payroll was properly recorded.

EFFECT There did not appear to be a system to verify if a employee's timesheet was completed correctly, creating a high risk in the area of payroll.

RECOMMENDATION We recommend that the Village implement a process to ensure that supporting documentation for all employee and payroll is retained and readily available.

RESPONSE Payroll documentation is now being retained and is readily available. All time sheets are reviewed and approved by three authorized signatories of the Board of Finance prior to payment. Care is taken by the Treasurer's Office to ensure that all time sheets are complete and filled in according to village personnel policy.

Recording Direct Pay Grant Activity (10-07)

CONDITION Grant activity transactions that were directly paid to the vendors by the grantor were not recorded in the accounting records for the Village.

CRITERIA All financial activity should be recorded in the Village's accounting records. Regular, periodic reconciliations between grant expenses and income should be made to ensure the accuracy and completeness of reported financial information.

CAUSE Grant activity transactions that were directly paid to the vendors by the grantor did not flow through the Village's bank accounts and therefore the transactions were not posted to the accounting records.

EFFECT Omitted grant activity transactions produce inaccurate financial reports.

RECOMMENDATION We recommend the Village record all grant income and expenses in the accounting records and regularly reconcile the actual grant activity to the general ledger.

RESPONSE The Village concurs and will make sure that all grant activity is recorded and reconciled.

Payroll Documentation (10-08)

CONDITION During our testwork, we noted the following:

In one of ten items tested, no approval for travel expenditure was documented.

CRITERIA Section 10-8-1 to 10-8-8 NMSA 1978 and the related regulation, authorize travel and per diem reimbursements.

CAUSE The Village is aware of the statute and related regulations regarding travel and per diem reimbursements but continues to fail to comply, even though policies are in place.

EFFECT Per Section 10-8-7, NMSA 1978, Any public officer or employee covered by the Per Diem and Mileage Act [10-8-1 NMSA 1978] who knowingly authorized or who knowingly accepts payment in excess of the amount allowed by the Per Diem and Mileage Act or in excess of the amount authorized by the secretary or the governing board pursuant to Section 10-8-5 NMSA 1978 is liable to the state in an amount that is twice the excess payment.

RECOMMENDATION The City needs appropriate management personnel to enforce travel and per diem compliance with greater detail.

RESPONSE Village management and finance personnel are enforcing travel and per diem compliance with greater detail.

Bank Reconciliation (10-09)

CONDITION During fieldwork we noted that the bank reconciliations contained material, unresolved, reconciling items and incorrect items for the operational account. Bank reconciliations had not been properly performed for the entire year under audit.

CRITERIA According to NMAC 2.20.5.18 C. (4). The Village's cash account records shall be reconciled timely each month to the division's reports and to the state treasurer's reports.

CAUSE The previous Treasurer failed to reconcile cash.

EFFECT A portion of cash remains unreconciled at the end of 2010.

RECOMMENDATION Perform complete and accurate bank reconciliations at month end and assign another member of management the responsibility of reviewing each month's bank reconciliation. All unusual reconciling items should be investigated and dealt with promptly so errors do not accumulate thereby making the reconciliation process more difficult and time consuming.

RESPONSE The Village agrees with the recommendations of the auditor. This situation has been corrected, bank recs have been completed for the entire year, and they will be undertaken on a regular basis.

STATE OF NEW MEXICO
VILLAGE OF COLUMBUS

EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2010

An exit conference was held on March 19, 2012 in a closed meeting with Luis Molina, CPA of White + Samaniego + Campbell, LLP, with the following Village officials:

Nicole S. Lawson	Mayor
William E. Canfield	Trustee
Jeanne E. Canfield	Trustee
Martha Skinner	Trustee
John Forbes	Treasurer

White + Samaniego + Campbell, LLP

Luis Molina	Supervisor
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The financial statements presented in this report were compiled with the assistance of the auditors, White + Samaniego + Campbell, LLP. However, the contents of the financial statements remain the responsibility of management.

