

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2015  
INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
For the Year Ended June 30, 2015

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VILLAGE OF COLUMBUS  
For the Year Ended June 30, 2015

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STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
OFFICIAL ROSTER  
June 30, 2015

Philip Skinner	Mayor
Bill Johnson	Mayor Pro-Tem
Martha Skinner	Trustee
Xavier Munoz	Trustee
Bruce Salas	Trustee
Robert Odom	Judge



# Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Beth Fant, EA, Partner  
Brad Beasley, CPA, Partner

## INDEPENDENT AUDITORS' REPORT

Timothy Keller, State Auditor  
and the Mayor and Village Trustees of the  
Village of Columbus, New Mexico

### Report on the Financial Statements

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 comparisons for the general fund and major special revenue funds of Village of Columbus, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

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

We were unable to obtain written representations from management of the the Village of Columbus concerning transactions related to the fiscal year 2015, which took place under substantially different management, as required by generally accepted auditing standards.

## **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

The other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matter discussed in the basis for disclaimer of opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental information referred to above.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2015 on our consideration of Village of Columbus' 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* in considering Village of Columbus' internal control over financial reporting and compliance.

*Beasley Mitchell & Co LLP*

Beasley, Mitchell & Co., LLP

Las Cruces, New Mexico

November 5, 2015



**GOVERNMENT - WIDE FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF NET POSITION  
June 30, 2015

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Current assets			
Cash and cash equivalents	\$ 897,642	\$ 313,177	\$ 1,210,819
Accounts receivable	157,050	91,704	248,754
Other receivables	41,189	-	41,189
Taxes receivable	<u>42,164</u>	<u>724</u>	<u>42,888</u>
Total current assets	1,138,045	405,605	1,543,650
Non-current assets			
Capital assets	3,953,157	14,835,174	18,788,331
Less accumulated depreciation	<u>(1,644,218)</u>	<u>(4,996,948)</u>	<u>(6,641,166)</u>
Total non-current assets	<u>2,308,939</u>	<u>9,838,226</u>	<u>12,147,165</u>
Total assets	3,446,984	10,243,831	13,690,815
Deferred outflows			
Deferred pension contribution after measurement date	<u>15,011</u>	<u>11,471</u>	<u>26,482</u>
Total assets and deferred outflows	<u>\$ 3,461,995</u>	<u>\$ 10,255,302</u>	<u>\$ 13,717,297</u>

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF NET POSITION (CONTINUED)  
June 30, 2015

	Governmental Activities	Business- type Activities	Total
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
Current liabilities			
Accounts payable	\$ 11,248	\$ 1,526	\$ 12,774
Accrued salaries	25,310	-	25,310
Current portion of long-term debt	8,947	4,509	13,456
Compensated absences	<u>6,873</u>	<u>4,251</u>	<u>11,124</u>
Total current liabilities	52,378	10,286	62,664
Non-current liabilities			
Compensated absences	3,077	-	3,077
Net pension liability	126,026	96,305	222,331
Customer deposits	-	10,679	10,679
Long-term debt, less current maturities	<u>52,638</u>	<u>58,611</u>	<u>111,249</u>
Total non-current liabilities	<u>181,741</u>	<u>165,595</u>	<u>347,336</u>
Total liabilities	234,119	175,881	410,000
Deferred inflows			
Deferred - change in assumption	86	65	151
Deferred - net difference between projected and actual investment earnings	<u>49,305</u>	<u>37,677</u>	<u>86,982</u>
Total deferred inflows	<u>49,391</u>	<u>37,742</u>	<u>87,133</u>
Total liabilities and deferred inflows	283,510	213,623	497,133
<b>NET POSITION</b>			
Net investment in capital assets	2,247,354	9,775,106	12,022,460
Restricted for:			
Special revenue funds	45,433	-	45,433
Unrestricted	<u>885,698</u>	<u>266,573</u>	<u>1,152,271</u>
Total net position	<u>3,178,485</u>	<u>10,041,679</u>	<u>13,220,164</u>
Total liabilities, deferred inflows and net position	<u>\$ 3,461,995</u>	<u>\$ 10,255,302</u>	<u>\$ 13,717,297</u>

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, 2015

FUNCTIONAL/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 361,245	\$ 253,119	\$ 795,621	\$ -	\$ 687,495	\$ -	\$ 687,495
Public safety	359,200	-	120,000	-	(239,200)	-	(239,200)
Public works	185,316	-	-	-	(185,316)	-	(185,316)
Culture and recreation	66,644	2,002	-	-	(64,642)	-	(64,642)
Total governmental activities	<u>972,405</u>	<u>255,121</u>	<u>915,621</u>	<u>-</u>	<u>198,337</u>	<u>-</u>	<u>198,337</u>
Business-type activities:							
Joint utilities	532,538	591,396	-	-	-	58,858	58,858
Cemetery	710	725	-	-	-	15	15
Total business-type activities	<u>533,248</u>	<u>592,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,873</u>	<u>58,873</u>
Total primary government	<u>\$ 1,505,653</u>	<u>\$ 847,242</u>	<u>\$ 915,621</u>	<u>\$ -</u>	<u>198,337</u>	<u>58,873</u>	<u>257,210</u>
		General Revenues and Transfers:					
		Taxes					
					73,160	-	73,160
					4,460	-	4,460
					5,475	-	5,475
					97,657	5,008	102,665
					98,314	-	98,314
					10,031	-	10,031
					2,848	-	2,848
					10,736	-	10,736
					7,500	-	7,500
					9,119	329	9,448
					(9,187)	9,187	-
					<u>310,113</u>	<u>14,524</u>	<u>324,637</u>
					508,450	73,397	581,847
					2,024,777	9,875,266	11,900,043
					645,258	93,016	738,274
					<u>2,670,035</u>	<u>9,968,282</u>	<u>12,638,317</u>
					<u>\$ 3,178,485</u>	<u>\$ 10,041,679</u>	<u>\$ 13,220,164</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  
As of June 30, 2015

	<b>General Fund</b>	<b>Fire Protection Fund</b>	<b>Municipal Streets</b>	<b>Total Non- Major Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Assets					
Cash and cash equivalents	\$ 768,931	\$ 3,844	\$ -	\$ 124,867	\$ 897,642
Taxes receivable	40,716	-	1,448	-	42,164
Other receivables	41,189	-	-	-	41,189
Accounts receivable	157,050	-	-	-	157,050
Due from other funds	<u>142,305</u>	<u>-</u>	<u>-</u>	<u>1,115</u>	<u>143,420</u>
 Total assets	 <u>\$1,150,191</u>	 <u>\$ 3,844</u>	 <u>\$ 1,448</u>	 <u>\$ 125,982</u>	 <u>\$ 1,281,465</u>

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
June 30, 2015

	General Fund	Fire Protection Fund	Municipal Streets	Total Non- Major Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
Liabilities					
Accounts payable	\$ 6,893	\$ 3,844	\$ 440	\$ 71	\$ 11,248
Payroll wages payable	14,236	-	-	-	14,236
Due to other funds	1,115	-	78,488	63,817	143,420
Payroll taxes payable	6,613	-	-	-	6,613
Sales tax payable	4,461	-	-	-	4,461
Compensated absences, current	<u>6,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,873</u>
Total liabilities	40,191	3,844	78,928	63,888	186,851
Deferred inflows					
Deferred - property tax	<u>3,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758</u>
Total deferred inflows	<u>3,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,758</u>
Total liabilities and deferred inflows	43,949	3,844	78,928	63,888	190,609
Fund balances:					
Restricted for special revenue funds	-	-	(77,480)	122,913	45,433
Unassigned	<u>1,106,242</u>	<u>-</u>	<u>-</u>	<u>(60,819)</u>	<u>1,045,423</u>
Total fund balances	<u>1,106,242</u>	<u>-</u>	<u>(77,480)</u>	<u>62,094</u>	<u>1,090,856</u>
Total liabilities, deferred inflows and fund balances	<u>\$1,150,191</u>	<u>\$ 3,844</u>	<u>\$ 1,448</u>	<u>\$ 125,982</u>	<u>\$ 1,281,465</u>

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 POSITION  
June 30, 2015

**Total fund balances - governmental funds** \$ 1,090,856

Amounts reported for governmental activities in the Statement of Net Position 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

Deferred outflows - contributions made after the measurement date, will be recognized as a reduction of net pension liability		15,011
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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:

Net pension liability	(126,026)	
Notes payable	(61,585)	
Compensated absences	<u>(3,077)</u>	(190,688)

Deferred inflows due to actual non-investment experience that was better than expected and changes in benefits or assumption which result in a decrease to net pension liability:

Deferred inflows - change in assumption	(86)	
Deferred inflows - difference between projected and actual investment earnings on pension plan investments	<u>(49,305)</u>	(49,391)

Long term assets are not available to pay for current - period expenditures and therefore are deferred in the funds:

Property tax		<u>3,758</u>
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**Total net position - governmental activities** \$ 3,178,485

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, 2015

	General Fund	Fire Protection Fund	Municipal Streets	Total Non- Major Funds	Total Governmental Funds
<b>REVENUES</b>					
Motor vehicle registration	\$ 4,460	\$ -	\$ -	\$ -	\$ 4,460
Gross receipts tax municipal	97,657	-	-	-	97,657
Gross receipts tax state	98,314	-	-	-	98,314
Gross receipts tax infrastructure	-	-	10,031	-	10,031
Property taxes	73,160	-	-	-	73,160
Franchise taxes	10,736	-	-	-	10,736
Gasoline tax	5,475	-	-	-	5,475
Lodger's tax	-	-	-	2,848	2,848
Small cities assistance	480,431	-	-	-	480,431
Charges for services	177,299	-	-	2,002	179,301
Joint power agreement	-	-	-	7,500	7,500
State allocation	67,500	120,000	-	105,775	293,275
State grants	103,915	-	-	33,000	136,915
Licenses and permits	2,769	-	-	-	2,769
Fines and forfeitures	54,493	-	-	-	54,493
Private grants	5,000	-	-	-	5,000
Rental income	14,800	-	-	-	14,800
Investment income	1,132	-	-	-	1,132
Miscellaneous	7,819	-	168	-	7,987
	<u>1,204,960</u>	<u>120,000</u>	<u>10,199</u>	<u>151,125</u>	<u>1,486,284</u>
<b>EXPENDITURES</b>					
Current					
General government	342,080	-	-	3,771	345,851
Public safety	180,282	120,000	-	58,918	359,200
Public works	116,240	-	69,076	-	185,316
Culture and recreation	50,924	-	-	15,720	66,644
Debt principal	4,564	-	-	10,039	14,603
Capital outlay	-	-	-	36,514	36,514
	<u>694,090</u>	<u>120,000</u>	<u>69,076</u>	<u>124,962</u>	<u>1,008,128</u>
Excess (deficiency) of revenues over expenditures	510,870	-	(58,877)	26,163	478,156

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 -  
GOVERNMENTAL FUNDS - (CONTINUED)  
For the Year Ended June 30, 2015

	General Fund	Fire Protection Fund	Municipal Streets	Total Non- Major Funds	Total Governmental Funds
<b>OTHER FINANCING SOURCES</b>					
<b>(USES)</b>					
Transfers in	13,934	-	70,000	-	83,934
Transfers out	<u>(77,394)</u>	<u>-</u>	<u>-</u>	<u>(15,727)</u>	<u>(93,121)</u>
Total other financing sources (uses)	<u>(63,460)</u>	<u>-</u>	<u>70,000</u>	<u>(15,727)</u>	<u>(9,187)</u>
Net change in fund balance	447,410	-	11,123	10,436	468,969
Fund balance at beginning of year, as previously stated	(360,940)	(33,748)	(89,440)	112,698	(371,430)
Restatement	<u>1,019,772</u>	<u>33,748</u>	<u>837</u>	<u>(61,040)</u>	<u>993,317</u>
Fund balance at beginning of year, as restated	<u>658,832</u>	<u>-</u>	<u>(88,603)</u>	<u>51,658</u>	<u>621,887</u>
Fund balance at end of year	<u>\$1,106,242</u>	<u>\$ -</u>	<u>\$ (77,480)</u>	<u>\$ 62,094</u>	<u>\$ 1,090,856</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, 2015

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 468,969</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Retirement expense	9,753
Property taxes do not provide current financial resources, made available to pay for current period's expenditures, reported as deferred inflows in funds	3,758
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	14,603
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).	<u>11,367</u>
Change in net position of governmental activities	<u>\$ 508,450</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  
GENERAL FUND  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Franchise taxes	\$ 11,900	\$ 11,900	\$ 10,736	\$ (1,164)
Gross receipts taxes-municipal	109,857	109,857	56,468	(53,389)
Property taxes	38,906	38,906	73,160	34,254
Gas tax	5,200	5,200	5,475	275
Motor vehicle registration	5,200	5,200	4,460	(740)
Licenses and permits	1,237	1,237	2,769	1,532
Charges for services	84,250	84,250	(141,037)	(225,287)
Gross receipts tax - state	-	-	98,314	98,314
Small cities assistance	200,000	200,000	480,431	280,431
State grants	-	-	171,415	171,415
Fines and Forfeits	24,075	24,075	54,493	30,418
Investment income	1,000	1,000	1,132	132
Miscellaneous	<u>89,505</u>	<u>89,505</u>	<u>27,619</u>	<u>(61,886)</u>
Total revenues	571,130	571,130	845,435	274,305
<b>EXPENDITURES:</b>				
Current				
General government	518,358	518,358	330,674	187,684
Public safety	67,384	67,384	180,282	(112,898)
Public works	-	-	116,240	(116,240)
Culture and recreation	151,881	151,881	50,924	100,957
Debt principal	<u>-</u>	<u>-</u>	<u>4,564</u>	<u>(4,564)</u>
Total expenditures	<u>737,623</u>	<u>737,623</u>	<u>682,684</u>	<u>54,939</u>
Excess (deficiency) of revenues over expenditures	<u>(166,493)</u>	<u>(166,493)</u>	<u>162,751</u>	<u>329,244</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	13,934	13,934
Transfers out	<u>(70,000)</u>	<u>(70,000)</u>	<u>(77,394)</u>	<u>(7,394)</u>
Total other financing sources (uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(63,460)</u>	<u>6,540</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  
GENERAL FUND (CONTINUED)  
For the Year Ended June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Net changes in fund balance Non- GAAP basis	(236,493)	(236,493)	99,291	335,784
Fund balance - beginning as previously stated	<u>(360,940)</u>	<u>(360,940)</u>	<u>(360,940)</u>	<u>-</u>
Restatement	<u>-</u>	<u>-</u>	<u>975,640</u>	<u>975,640</u>
Fund balance - beginning as restated	<u>(360,940)</u>	<u>(360,940)</u>	<u>614,700</u>	<u>975,640</u>
Fund balance - ending	<u>\$ (597,433)</u>	<u>\$ (597,433)</u>	<u>\$ 713,991</u>	<u>\$ 1,311,424</u>
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ 99,291	
Revenue accrual			359,525	
Expenditure accrual			<u>(11,406)</u>	
Net change in fund balance - GAAP basis			<u>\$ 447,410</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  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FIRE PROTECTION FUND  
For the Year Ended June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
State Allotment	\$ 56,000	\$ 56,000	\$ 120,000	\$ 64,000
Total revenues	56,000	56,000	120,000	64,000
<b>EXPENDITURES:</b>				
Current				
Public Safety	67,207	67,207	120,000	(52,793)
Total expenditures	67,207	67,207	120,000	(52,793)
Excess (deficiency) of revenues over expenditures	(11,207)	(11,207)	-	11,207
Net change in fund balance Non-GAAP basis	(11,207)	(11,207)	-	11,207
Fund balance at beginning of year, as previously stated	(33,748)	(33,748)	(33,748)	-
Restatement	-	-	33,748	33,748
Fund balance at beginning of year, as restated	(33,748)	(33,748)	-	33,748
Fund balance at end of year	\$ (44,955)	\$ (44,955)	\$ -	\$ 44,955
<b>Reconciliation in fund balance - budgetary basis</b>				
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  
MUNICIPAL STREETS  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts tax- infrastructure	\$ 6,329	\$ 6,329	\$ 8,583	\$ 2,254
Miscellaneous	<u>200</u>	<u>200</u>	<u>168</u>	<u>(32)</u>
Total revenues	6,529	6,529	8,751	2,222
EXPENDITURES:				
Current				
Public works	<u>84,351</u>	<u>84,351</u>	<u>68,636</u>	<u>15,715</u>
Total expenditures	<u>84,351</u>	<u>84,351</u>	<u>68,636</u>	<u>15,715</u>
Excess (deficiency) of revenues over expenditures	<u>(77,822)</u>	<u>(77,822)</u>	<u>(59,885)</u>	<u>17,937</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	70,000	70,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
Net changes in fund balance Non- GAAP basis	(77,822)	(77,822)	10,115	87,937
Fund balance at beginning of year, as previously stated	(89,440)	(89,440)	(89,440)	-
Restatement	<u>-</u>	<u>-</u>	<u>837</u>	<u>837</u>
Fund balance at beginning of year, as restated	<u>(89,440)</u>	<u>(89,440)</u>	<u>(88,603)</u>	<u>837</u>
Fund balance - ending	<u>\$ (167,262)</u>	<u>\$ (167,262)</u>	<u>\$ (78,488)</u>	<u>\$ 88,774</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  
MUNICIPAL STREETS (CONTINUED)  
For the Year Ended June 30, 2015

**Reconciliation in fund balance - budgetary basis**

Net change in fund balance - budgetary basis	\$ 10,115
Revenue accrual	1,448
Expenditure accrual	<u>(440)</u>
 Net Change in Fund Balance - GAAP basis	 <u>\$ 11,123</u>

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



**PROPRIETARY FUNDS**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2015

	<u>Joint Utilities</u>	<u>Cemetery</u>	<u>Total Proprietary</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Current assets			
Cash and cash equivalents	\$ 304,370	\$ 8,807	\$ 313,177
Accounts receivable	91,704	-	91,704
Taxes receivable	724	-	724
Total current assets	396,798	8,807	405,605
Non-current assets			
Capital assets	14,835,174	-	14,835,174
Less accumulated depreciation	(4,996,948)	-	(4,996,948)
Total non-current assets	9,838,226	-	9,838,226
Total assets	10,235,024	8,807	10,243,831
Deferred outflows			
Deferred - pension contributions after measurement date	11,471	-	11,471
Total assets and deferred outflows	<b>\$ 10,246,495</b>	<b>\$ 8,807</b>	<b>\$ 10,255,302</b>

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
June 30, 2015

	<u>Joint Utilities</u>	<u>Cemetery</u>	<u>Total Proprietary</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
Current liabilities			
Accounts payable	\$ 1,526	\$ -	\$ 1,526
Current portion of long term debt	4,509	-	4,509
Compensated absences	<u>4,251</u>	<u>-</u>	<u>4,251</u>
Total current liabilities	10,286	-	10,286
Non-current liabilities			
Customer deposits	10,679	-	10,679
Net pension liability	96,305	-	96,305
Long term debt, less current maturities	<u>58,611</u>	<u>-</u>	<u>58,611</u>
Total non-current liabilities	<u>165,595</u>	<u>-</u>	<u>165,595</u>
Total liabilities	175,881	-	175,881
Deferred inflows:			
Deferred - change in assumption	65	-	65
Deferred - net difference between projected and actual investment earnings	<u>37,677</u>	<u>-</u>	<u>37,677</u>
Total deferred inflows	<u>37,742</u>	<u>-</u>	<u>37,742</u>
Total liabilities and deferred inflows	<u>213,623</u>	<u>-</u>	<u>213,623</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,775,106	-	9,775,106
Unrestricted	<u>257,766</u>	<u>8,807</u>	<u>266,573</u>
Total net position	<u>10,032,872</u>	<u>8,807</u>	<u>10,041,679</u>
Total liabilities, deferred inflows and net position	<u>\$10,246,495</u>	<u>\$ 8,807</u>	<u>\$10,255,302</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 NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2015

	<u>Joint Utilities</u>	<u>Cemetery</u>	<u>Total Proprietary</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 591,396	\$ 725	\$ 592,121
Gross receipts tax municipal	5,008	-	5,008
Miscellaneous	<u>329</u>	<u>-</u>	<u>329</u>
Total operating revenues	596,733	725	597,458
<b>OPERATING EXPENSES</b>			
Personnel services	193,270	-	193,270
Other operating expenses	<u>339,268</u>	<u>710</u>	<u>339,978</u>
Total operating expenses	532,538	710	533,248
Operating income	64,195	15	64,210
Transfers in	<u>9,187</u>	<u>-</u>	<u>9,187</u>
Change in net position	73,382	15	73,397
Net position, beginning of year as previously stated	9,875,992	(726)	9,875,266
Restatement	<u>83,498</u>	<u>9,518</u>	<u>93,016</u>
Net position, beginning of year as restated	<u>9,959,490</u>	<u>8,792</u>	<u>9,968,282</u>
Net position, end of year	<u>\$10,032,872</u>	<u>\$ 8,807</u>	<u>\$ 10,041,679</u>

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2015

	<b>Joint Utilities</b>	<b>Cemetery</b>	<b>Total Proprietary</b>
<b>Cash flows from operating activities:</b>			
Cash received from agencies and customers	\$ 565,222	\$ 725	\$ 565,947
Cash paid to suppliers for goods and services	(144,933)	(1,437)	(146,370)
Cash payments to employees for services	(193,224)	-	(193,224)
Net cash provided by (used in) operating activities	227,065	(712)	226,353
<b>Cash flows from financing activities:</b>			
Principal payment on debt	(137,543)	-	(137,543)
Net cash used in financing activities	(137,543)	-	(137,543)
Net increase (decrease) in cash	89,522	(712)	88,810
CASH, Beginning of year	214,848	9,519	224,367
CASH, End of year	\$ 304,370	\$ 8,807	\$ 313,177

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
For the Year Ended June 30, 2015

**Reconciliation of operating income to net cash provided by operating activities:**

	Joint Utilities	Cemetery	Total Proprietary
<b>Cash flows from operating activities</b>			
Operating income (loss)	\$ 73,382	\$ 15	\$ 73,397
Adjustments to reconcile change in net assets to net cash			
Depreciation	-	-	-
Restatement	83,498	9,518	93,016
Changes in working capital components:			
(Increase) Decrease in:			
Accounts receivables	(29,227)	-	(29,227)
Other Assets	(11,471)	-	(11,471)
Increase (Decrease) in:			
Accounts payable	110,837	(10,245)	100,592
Accrued expenses and other liabilities	46	-	46
Net cash provided by operating activities	\$ 227,065	\$ (712)	\$ 226,353

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, 2015

**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 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.



STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 position and the statement of activities and changes in net position) 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.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation (continued)

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 inflows. 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.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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:

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Municipal Streets Fund - 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).

Fire Protection Fund - To account for state fire allotment funds received for the operations and maintenance of the fire department.

Proprietary Funds - To account for business type activities, i.e. joint utilities and cemetery operations generating revenues. This fund distinguishes operating revenues and expenses from non-operating items. 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.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The Village reports deferred inflows 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 inflows is removed from the combined balance sheet and revenue is recognized.

D. Assets, Liabilities and Net Position 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.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Liabilities and Net Position or Equity (continued)

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 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 has been 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 Inflows:

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.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Liabilities and Net Position or Equity (continued)

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 position. The face amount of debt issued is reported as other financing sources.

7. Net Position:

The government-wide and business-type activities fund financial statements utilize a net position 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 position that are associated with capital assets less outstanding capital asset related debt.

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

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Liabilities and Net Position or Equity (continued)

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.



STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**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 (DFA), Local Government Division (LGD). Once the budget has been formally approved, the Village Board of Trustees, DFA LGD 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.

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, 2015 is presented.

*Implementation of New Accounting Standards*

In 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged. This Statement addresses accounting and financial reporting issues related to fair value measurements.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

*Implementation of New Accounting Standards (Continued)*

The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, GASB issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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VILLAGE OF COLUMBUS  
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**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

*Implementation of New Accounting Standards (Continued)*

The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In 2015, the GASB issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

STATE OF NEW MEXICO  
 VILLAGE OF COLUMBUS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

*Implementation of New Accounting Standards (Continued)*

In 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The Village is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements 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	410,000
Uninsured and uncollateralized	<u>637,414</u>
Total Cash and Investments, Primary Government	<u>\$ 1,297,414</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, 2015, \$1,047,414 of the Village's bank balance of \$1,297,414 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 637,414
Cash held by pledging bank's trust department not in the Village's name	<u>410,000</u>
Total Cash and Investments, Primary Government	<u>\$ 1,047,414</u>

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**4. ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2015, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts receivable	\$ 157,050	\$ 91,704	\$ 248,754
Other receivables-citations	41,189	-	41,189
Taxes receivable	42,164	724	42,888
Due from other funds	<u>143,420</u>	<u>-</u>	<u>143,420</u>
Net receivables	<u>\$ 383,823</u>	<u>\$ 92,428</u>	<u>\$ 476,251</u>

The Village has booked allowance for uncollectible accounts totaling \$161,286 that is netted against the ambulance receivable. All other receivables are considered collectible.

**5. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2015, 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 June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2015</u>
<b>Government activities</b>					
Capital assets not being depreciated:					
Land	\$ 505,314	\$ -	\$ -	\$ -	\$ 505,314
Construction in progress	<u>15,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,001</u>
Total	<u>520,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,315</u>
Other capital assets being depreciated					
Buildings	2,415,054	-	-	-	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>3,432,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,432,842</u>
Accumulated depreciation					
Buildings	935,749	-	-	-	935,749
Other improvements	92,240	-	-	-	92,240
Machinery and equipment	<u>616,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>616,229</u>
Total accumulated depreciation	<u>1,644,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,644,218</u>
Total capital assets	<u>\$ 2,308,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,939</u>

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

5. **CAPITAL ASSETS (continued)**

Depreciation expense, for the year ended June 30, 2015 was charged as follows:

General government	\$ -
Public safety	-
Public works	-
Culture and recreation	-
	-
Total depreciation expense	\$ -

Depreciation expense relating to Government Activities for the year-ended June 30, 2015 totaled \$0. The Village did not calculate and record depreciation expense, additions or disposals of assets.

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

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 1,794,851	\$ -	\$ -	\$ -	\$ 1,794,851
Capital assets being depreciated					
Utility system	12,930,578	-	-	-	12,930,578
Machinery and equipment	109,744	-	-	-	109,744
Total	14,835,173	-	-	-	14,835,173
Accumulated depreciation					
Buildings	4,899,820	-	-	-	4,899,820
Machinery and equipment	97,127	-	-	-	97,127
Total accumulated depreciation	4,996,947	-	-	-	4,996,947
Total capital assets	\$ 9,838,226	\$ -	\$ -	\$ -	\$ 9,838,226

Depreciation expense relating to business-like activities for the year-ended June 30, 2015 totaled \$0. The Village did not calculate and record depreciation expense, additions or disposal of assets.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
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**6. LONG TERM DEBT**

During the year-end June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Funds	Balance June 30, 2014	Adjustments	Additions	Reductions	Balance June 30, 2015	Due Within One Year
New Mexico Finance Authority	\$ 4,491	\$ 73	\$ -	\$ 4,564	\$ -	\$ -
New Mexico Finance Authority	76,551	(4,927)	-	10,039	61,585	8,947
Compensated absences	<u>14,444</u>	<u>(6,559)</u>	<u>11,952</u>	<u>9,887</u>	<u>9,950</u>	<u>6,873</u>
Total	<u>\$ 95,486</u>	<u>\$ (11,413)</u>	<u>\$ 11,952</u>	<u>\$ 24,490</u>	<u>\$ 71,535</u>	<u>\$ 15,820</u>

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

The Village obtained a \$101,500 loan from the State of New Mexico Finance Authority, during 2011 fiscal year; the purpose of the loan was to purchase a fire truck. The note bears interest of 0.534%. The maturity date of the loan is May 2021. The payment amounts are as follows:

June 30:	Principal
2016	\$ 8,947
2017	9,437
2018	9,953
2019	10,498
2020 - 2021	<u>22,750</u>
	<u>\$ 61,585</u>

Proprietary Fund	Balance June 30, 2014	Adjustments	Additions	Reductions	Balance June 30, 2015	Due Within One Year
New Mexico Finance Authority	\$ 67,545	\$ 4,413	\$ -	\$ 8,838	\$ 63,120	\$ 4,509
New Mexico Finance Authority	133,118	7,222	-	140,340	-	-
Compensated absences	<u>4,204</u>	<u>2,632</u>	<u>5,971</u>	<u>8,556</u>	<u>4,251</u>	<u>4,251</u>
Total	<u>\$ 204,867</u>	<u>\$ 14,267</u>	<u>\$ 5,971</u>	<u>\$ 157,734</u>	<u>\$ 67,371</u>	<u>\$ 8,760</u>

Compensated absences typically have been liquidated in the proprietary fund.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**6. LONG TERM DEBT (continued)**

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:

<u>June 30:</u>	<u>Principal</u>
2016	\$ 4,509
2017	4,509
2018	4,509
2019	4,509
2020- 2029	<u>45,084</u>
	<u>\$ 63,120</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. The report is also available on PERA's Website at <http://www.pera.state.nm.us>.



STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
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**8. PERA PENSION PLAN (CONTINUED)**

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, 2015 and 2014 were \$25,293 and \$36,320, 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.

The Village adopted GASB 68 during the year ended June 30, 2015. GASB 68, *Accounting and Financial Reporting for Pensions*, requires contributing employers of cost-sharing multiple employer defined benefit pension plans to include the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources related to their share of the pension plan in their government-wide financial statement presentation. PERA engaged their financial statement auditors to prepare a schedule allocating these obligations to the contributing employers as of the year ended June 30, 2014. As part of adopting GASB 68 during the current year, the Village recognized a prior period adjustment of \$222,331 relating to the net pension liability, which represents the Village's share of the underfunded pension obligation at June 30, 2013.

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VILLAGE OF COLUMBUS  
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**8. PERA PENSION PLAN (CONTINUED)**

<u>Pension Expense</u>	<u>Deferred Inflows - Difference between Projected and Actual Investment Earnings on Pension Plan Investments</u>	<u>Deferred Inflows - Change in Assumptions</u>	<u>Deferred Outflows - Contributions made after measurement date</u>
\$ 9,753	\$ 86,982	\$ 151	\$ 26,482

Liability Proportion

Municipal General Division	0.0285 %
Municipal Police Division	- %
Municipal Fire Division	- %

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village of Columbus, calculated using the discount rate of 7.75 percent, as well as what Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<b>1% Decrease <u>6.75%</u></b>	<b>Current <u>7.75%</u></b>	<b>1% Increase <u>8.75%</u></b>
Net Pension Liability	\$ 419,143	\$ 222,331	\$ 70,283

In June 30, 2016 \$26,482, deferred outflows - contributions made after measurement date, will be recognized as a reduction of net pension liability. Other deferred amounts to be recognized in fiscal years following the reporting date are below:

Year Ended June 30:

2016	\$ 21,783
2017	\$ 21,783
2018	\$ 21,783
2019	\$ 21,783
2020	\$ 1

Additional information on PERA, and the Actuarial assumptions may be found at:  
[http://www.nmpera.org/assets/uploads/downloads/GASB/366B\\_PERA\\_Schedule\\_of\\_Employer\\_Allocations\\_FY2014.pdf](http://www.nmpera.org/assets/uploads/downloads/GASB/366B_PERA_Schedule_of_Employer_Allocations_FY2014.pdf)

**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, 2015.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**10. DEFICIT FUND BALANCE**

The following funds had deficit fund balances as of June 30, 2015:

Recreation	\$	29,662
Municipal Streets	\$	77,480
Capital Projects Combined	\$	34,512

**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**

There were the following inter-fund transfers during the year ended June 30, 2015.

<u>Amount</u>	<u>From</u>	<u>To</u>	<u>Purpose</u>
\$ 13,934	General Fund	EMS	To fund operations
\$ 68,207	Municipal Streets	General Fund	To fund operations
\$ 1,793	Municipal Streets	Recreation	To fund operations

**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 \$260,980 as follows:

<u>Fund</u>	<u>Reason</u>	<u>Budget Expenses</u>	<u>Actual Expenses</u>	<u>Difference</u>
Fire Protection	Operating expenses	\$ 67,207	\$ 120,000	\$ 52,793
Recreation	Operating expenses	8,304	15,679	7,375
Lodgers tax	Operating expenses	3,200	3,771	571
Fire	Operating expenses	-	58,700	58,700
Capital projects Combined	Operating expenses	-	36,514	36,514
Joint utilities	Operating expenses	<u>429,037</u>	<u>534,064</u>	<u>105,027</u>
Totals		<u>\$ 507,748</u>	<u>\$ 768,728</u>	<u>\$ 260,980</u>

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 5, 2015 the date the financial statements were available to be issued.

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**15. RESTATEMENT**

A prior period adjustment was recorded during the fiscal year ended June 30, 2015 at the fund level, and in the government-wide financial statements. Of that restatement, \$300,188 was to book the calculated net pension liability and deferred outflows and inflows per implementation of GASB 68 in the government-wide financial statements. Below is a break out of the prior period adjustments related to various incorrect balances that have been carried in the Village books for several years.

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Government Wide</u>
Suspense account used in the prior year to balance errors	\$ 172,777	\$ -	\$ -
Cash balances allocated to funds that was spent in prior years	51,508	-	-
Reconcile due to/from's paid out in prior years	679,181	-	-
Accrued expense paid out in prior years and not cleared	45,390	-	-
Accounts receivable collected in prior years and not cleared	(47,945)	56,879	56,879
Accounts payable paid in prior years and not cleared	96,859	80,716	80,716
Debt payment booked incorrectly in the prior year	(4,453)	85,452	13,494
Net pension liability	-	(92,287)	(213,055)
Deferred inflows	-	(37,743)	(87,133)
Not eliminated due from other funds	-	-	(29,249)
Not eliminated due to other funds	-	-	560,451
Government-wide reconciliation errors in the prior year	-	-	356,172
	<u>\$ 993,317</u>	<u>\$ 93,016</u>	<u>\$ 738,274</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
NOTES TO BASIC FINANCIAL STATEMENTS  
As of and For the Year Ended June 30, 2015

**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).

**CORRECTIONS FUND** - To account for judicial fees and administration costs (NMSA 35-14-11).

**LODGERS 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).

**EMERGENCY MEDICAL SERVICES (EMS)** - To account for the general operations of the ambulance service (NMSA 24-10A-3).

**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).

**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.

**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.

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

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL TYPES  
June 30, 2015

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Assets			
Cash and cash equivalents	\$ 124,867	\$ -	\$ 124,867
Due from other funds	<u>1,115</u>	<u>-</u>	<u>1,115</u>
Total assets	125,982	-	125,982
Deferred outflows			
Total assets and deferred outflows	<u>\$ 125,982</u>	<u>\$ -</u>	<u>\$ 125,982</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ 71	\$ -	\$ 71
Due to other funds	<u>29,305</u>	<u>34,512</u>	<u>63,817</u>
Total liabilities	29,376	34,512	63,888
Fund balance:			
Unassigned fund balance	(26,307)	(34,512)	(60,819)
Restricted for special revenue funds	<u>122,913</u>	<u>-</u>	<u>122,913</u>
Total fund balance	<u>96,606</u>	<u>(34,512)</u>	<u>62,094</u>
Total liabilities and fund balances	<u>\$ 125,982</u>	<u>\$ -</u>	<u>\$ 125,982</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  
June 30, 2015

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>REVENUES</b>			
Lodger's tax	\$ 2,848	\$ -	\$ 2,848
Charges for services	2,002	-	2,002
Joint power agreements	7,500	-	7,500
State allocation	105,775	-	105,775
State grants	<u>-</u>	<u>33,000</u>	<u>33,000</u>
Total revenues	118,125	33,000	151,125
<b>EXPENDITURES</b>			
General government	3,771	-	3,771
Public safety	58,918	-	58,918
Culture and recreation	15,720	-	15,720
Capital outlay	-	36,514	36,514
Principal	<u>10,039</u>	<u>-</u>	<u>10,039</u>
Total expenditures	<u>88,448</u>	<u>36,514</u>	<u>124,962</u>
Excess (deficiency) of revenues over (under) expenditures	29,677	(3,514)	26,163
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	<u>(15,727)</u>	<u>-</u>	<u>(15,727)</u>
Total other financing uses	<u>(15,727)</u>	<u>-</u>	<u>(15,727)</u>
Net change in fund balance	13,950	(3,514)	10,436
Fund balance, beginning of year as previously stated	103,696	9,002	112,698
Restatement	<u>(21,040)</u>	<u>(40,000)</u>	<u>(61,040)</u>
Fund balance, beginning of year as restated	<u>82,656</u>	<u>(30,998)</u>	<u>51,658</u>
Fund balance end of year	<u>\$ 96,606</u>	<u>\$ (34,512)</u>	<u>\$ 62,094</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 TYPES  
SPECIAL REVENUE FUNDS  
June 30, 2015

	Recreation	Correction	Lodgers Tax	EMS	Law Enforcement Protection	Fire	Environmental GRT	Infrastructure GRT	Community Center	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>										
Assets										
Cash and cash equivalents	\$ -	\$ 5,814	\$ 7,586	\$ 40,238	\$ 38,040	\$ 33,189	\$ -	\$ -	\$ -	\$ 124,867
Due from other funds	-	-	-	1,115	-	-	-	-	-	1,115
Total assets	-	5,814	7,586	41,353	38,040	33,189	-	-	-	125,982
Deferred outflows										
Deferred - pension contributions after measurement date	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ -	\$ 5,814	\$ 7,586	\$ 41,353	\$ 38,040	\$ 33,189	\$ -	\$ -	\$ -	\$ 125,982
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ -	\$ -	\$ -	\$ 71
Due to other funds	26,307	-	-	2,998	-	-	-	-	-	29,305
Total liabilities	26,307	-	-	2,998	-	71	-	-	-	29,376
Fund balance										
Unassigned fund balance	(26,307)	-	-	-	-	-	-	-	-	(26,307)
Restricted for special revenue funds	-	5,814	7,586	38,355	38,040	33,118	-	-	-	122,913
Total fund balance	(26,307)	5,814	7,586	38,355	38,040	33,118	-	-	-	96,606
Total liabilities and fund balance	\$ -	\$ 5,814	\$ 7,586	\$ 41,353	\$ 38,040	\$ 33,189	\$ -	\$ -	\$ -	\$ 125,982

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  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED June 30, 2015

	Law									
	Recreation	Correction	Lodgers Tax	EMS	Enforcement Protection	Fire	Environmental GRT	Infrastructure GRT	Community Center	Total
<b>REVENUES</b>										
Lodger's tax	\$ -	\$ -	\$ 2,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,848
Charges for services	2,002	-	-	-	-	-	-	-	-	2,002
Joint power agreement	7,500	-	-	-	-	-	-	-	-	7,500
State allocation	-	-	-	7,898	20,001	77,876	-	-	-	105,775
Total revenues	9,502	-	2,848	7,898	20,001	77,876	-	-	-	118,125
<b>EXPENDITURES</b>										
General government	-	-	3,771	-	-	-	-	-	-	3,771
Public safety	-	-	-	10,328	-	48,590	-	-	-	58,918
Culture and recreation	15,720	-	-	-	-	-	-	-	-	15,720
Principal debt payment	-	-	-	-	-	10,039	-	-	-	10,039
Total expenditures	15,720	-	3,771	10,328	-	58,629	-	-	-	88,448
Excess (deficiency) of revenues over (under) expenditures	(6,218)	-	(923)	(2,430)	20,001	19,247	-	-	-	29,677
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers out	(1,793)	-	-	(13,934)	-	-	-	-	-	(15,727)
Total other financing source (uses)	(1,793)	-	-	(13,934)	-	-	-	-	-	(15,727)
Net change in fund balance	(8,011)	-	(923)	(16,364)	20,001	19,247	-	-	-	13,950
Fund balance, beginning of year as previously stated	(18,296)	5,814	8,509	69,128	18,039	18,571	760	1,332	(161)	103,696
Restatement	-	-	-	(14,409)	-	(4,700)	(760)	(1,332)	161	(21,040)
Fund balance, beginning of year as restated	(18,296)	5,814	8,509	54,719	18,039	13,871	-	-	-	82,656
Fund balance, end of year	\$ (26,307)	\$ 5,814	\$ 7,586	\$ 38,355	\$ 38,040	\$ 33,118	\$ -	\$ -	\$ -	\$ 96,606

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 - RECREATION  
FOR THE YEAR ENDED June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Joint powers agreements	\$ -	\$ -	\$ 7,500	\$ 7,500
Miscellaneous	11,700	11,700	-	(11,700)
Charges for services	-	-	2,002	2,002
<b>Total revenues</b>	<b>11,700</b>	<b>11,700</b>	<b>9,502</b>	<b>(2,198)</b>
<b>EXPENDITURES:</b>				
Current				
Cultural and recreation	8,304	8,304	15,720	(7,416)
<b>Total expenditures</b>	<b>8,304</b>	<b>8,304</b>	<b>15,720</b>	<b>(7,416)</b>
Excess (deficiency) of revenues over expenditures	3,396	3,396	(6,218)	(9,614)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(1,793)	(1,793)
<b>Total other financing source (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,793)</b>	<b>(1,793)</b>
<b>Net changes in fund balance</b>	<b>3,396</b>	<b>3,396</b>	<b>(8,011)</b>	<b>(11,407)</b>
Fund balance, beginning of year as previously stated	(18,296)	(18,296)	(18,296)	-
Restatement	-	-	-	-
Fund balance, beginning of year as restated	(18,296)	(18,296)	(18,296)	-
<b>Fund balance - ending</b>	<b>\$ (14,900)</b>	<b>\$ (14,900)</b>	<b>\$ (26,307)</b>	<b>\$ (11,407)</b>
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ (8,011)	
Revenue accrual			-	
Expenditure accrual			-	
<b>Net change in fund balance - GAAP basis</b>			<b>\$ (8,011)</b>	

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 - CORRECTION  
FOR THE YEAR ENDED June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Cultural and recreation	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year as previously stated	5,814	5,814	5,814	-
Restatement	-	-	-	-
Fund balance, beginning of year as restated	5,814	5,814	5,814	-
Fund balance - ending	<u>\$ 5,814</u>	<u>\$ 5,814</u>	<u>\$ 5,814</u>	<u>\$ -</u>
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund balance - 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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Lodger's tax	\$ 2,800	\$ 2,800	\$ 2,848	\$ 48
Total revenues	2,800	2,800	2,848	48
EXPENDITURES:				
Current				
General government	3,200	3,200	3,771	(571)
Total expenditures	3,200	3,200	3,771	(571)
Excess (deficiency) of revenues over expenditures	(400)	(400)	(923)	(523)
Net changes in fund balance	(400)	(400)	(923)	(523)
Fund balance, beginning of year as previously stated	-	-	8,509	8,509
Restatement	-	-	-	-
Fund balance, beginning of year as restated	-	-	8,509	8,509
Fund balance, end of year	\$ (400)	\$ (400)	\$ 7,586	\$ 7,986
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ (923)	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund balance - GAAP basis			\$ (923)	

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 - EMS  
FOR THE YEAR ENDED June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State allocation	\$ 8,980	\$ 8,980	\$ 7,898	\$ (1,082)
Total revenues	8,980	8,980	7,898	(1,082)
EXPENDITURES:				
Current				
Public Safety	<u>86,880</u>	<u>86,880</u>	<u>10,328</u>	<u>76,552</u>
Total expenditures	<u>86,880</u>	<u>86,880</u>	<u>10,328</u>	<u>76,552</u>
Excess (deficiency) of revenues over expenditures	<u>(77,900)</u>	<u>(77,900)</u>	<u>(2,430)</u>	<u>75,470</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,934)</u>	<u>(13,934)</u>
Net changes in fund balance	(77,900)	(77,900)	(16,364)	61,536
Fund balance - beginning of year as previously stated	-	-	69,128	69,128
Restatement	<u>-</u>	<u>-</u>	<u>(14,409)</u>	<u>(14,409)</u>
Fund balance - beginning of year as restated	<u>-</u>	<u>-</u>	<u>54,719</u>	<u>54,719</u>
Fund balance - end of year	<u>\$ (77,900)</u>	<u>\$ (77,900)</u>	<u>\$ 38,355</u>	<u>\$ 116,255</u>
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			(16,364)	
Revenue accrual			-	
Expenditure accrual			<u>-</u>	
Net change in fund balance - GAAP basis			<u>\$ (16,364)</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 - LAW ENFORCEMENT PROTECTION  
FOR THE YEAR ENDED June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
REVENUES:				
State allocation	\$ 20,000	\$ 20,000	\$ 20,001	\$ 1
Total revenues	20,000	20,000	20,001	1
EXPENDITURES:				
Current				
Public safety	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	-	20,000
Excess (deficiency) of revenues over expenditures	-	-	20,001	20,001
Net changes in fund balance	-	-	20,001	20,001
Fund balance, beginning of year as previously stated	-	-	18,039	18,039
Restatement	-	-	-	-
Fund balance, beginning of year as restated	-	-	18,039	18,039
Fund balance - end of year	\$ -	\$ -	\$ 38,040	\$ 38,040
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance budgetary basis			\$ 20,001	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund balance - GAAP basis			\$ 20,001	

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 - FIRE  
FOR THE YEAR ENDED June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
State allocation	\$ -	\$ -	\$ 77,876	\$ 77,876
Total revenues	-	-	77,876	77,876
EXPENDITURES:				
Current				
Public Safety	-	-	48,519	(48,519)
Principal debt payment	-	-	10,039	(10,039)
Total expenditures	-	-	58,558	(58,558)
Excess (deficiency) of revenues over expenditures	-	-	19,318	19,318
Net changes in fund balance	-	-	19,318	19,318
Fund balance - beginning of year as previously stated	-	-	18,571	18,571
Restatement	-	-	(4,700)	(4,700)
Fund balance - beginning of year as restated	-	-	13,871	13,871
Fund balance - end of year	\$ -	\$ -	\$ 33,189	\$ 33,189
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ 19,318	
Revenue accrual			-	
Expenditure accrual			(71)	
Net change in fund balance- GAAP basis			\$ 19,247	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Gross receipts tax environmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Net change in fund balance	-	-	-	-
Fund balance, beginning of year as previously stated	-	-	760	760
Restatement	-	-	(760)	(760)
Fund balance, beginning of year as restated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund balance- 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 SPECIAL REVENUE FUND - INFRASTRUCTURE GROSS RECEIPTS  
FOR THE YEAR ENDED June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Gross receipts tax infrastructure	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year as previously stated	-	-	1,332	1,332
Restatement	-	-	(1,332)	(1,332)
Fund balance, beginning of year as restated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund - 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 SPECIAL REVENUE FUND - COMMUNITY CENTER  
FOR THE YEAR ENDED June 30, 2015

	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	-	-	-	-
Fund balance, beginning of year as previously stated	-	-	(161)	(161)
Restatement	-	-	161	161
Fund balance, beginning of year as restated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ -	
Revenue accrual			-	
Expenditure accrual			-	
Net change in fund - 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, 2015

	<u>Capital Projects Combined</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ -</u>
Total assets	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Due to other funds	<u>34,512</u>
Total liabilities	34,512
Fund balance	
Restricted for capital projects	<u>(34,512)</u>
Total liabilities and fund balance	<u>\$ -</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  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED June 30, 2015

	<u>Capital Projects Combined</u>
<b>REVENUES</b>	
State grants	\$ <u>33,000</u>
Total revenues	33,000
<b>EXPENDITURES</b>	
Capital outlay	\$ <u>36,514</u>
Total expenditures	<u>36,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,514)</u>
Net change in fund balance	(3,514)
Fund balance, beginning of year as previously stated	9,002
Restatement	<u>(40,000)</u>
Fund Balance, beginning of year as restated	<u>(30,998)</u>
Fund balance, end of year	<u>\$ (34,512)</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 - COMBINED  
FOR THE YEAR ENDED June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
State grants	\$ -	\$ -	\$ 33,000	\$ 33,000
Total revenues	-	-	33,000	33,000
EXPENDITURES:				
Current				
Capital outlay	\$ -	\$ -	\$ 36,514	\$ (36,514)
Total expenditures	-	-	36,514	(36,514)
Excess (deficiency) of revenues over expenditures	-	-	(3,514)	(3,514)
Net changes in fund balance Non- GAAP basis	-	-	(3,514)	(3,514)
Fund balance at beginning of year, as previously stated	-	-	9,002	9,002
Restatement	-	-	(40,000)	(40,000)
Fund balance at beginning of year, as restated	-	-	(30,998)	(30,998)
Fund balance - ending	\$ -	\$ -	\$ (34,512)	\$ (34,512)
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ (3,514)	
Revenue accrual				
Expenditure accrual			-	
Net change in fund balance - GAAP basis			\$ (3,514)	

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ 468,075	\$ 468,075	\$ 442,813	\$ (25,262)
Gross receipts tax municipal	66,456	66,456	5,008	(61,448)
Miscellaneous	1,692	1,692	329	(1,363)
Total revenue	536,223	536,223	448,150	(88,073)
EXPENDITURES:				
Personnel services	429,037	429,037	191,744	237,293
Other operating expenses	-	-	339,268	(339,268)
Total expenditures	429,037	429,037	531,012	(101,975)
Excess (deficiency) of revenues over expenditures	107,186	107,186	(82,862)	(190,048)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,187	9,187
Total other financing sources (uses)	-	-	9,187	9,187
Change in net position	107,186	107,186	(73,675)	(180,861)
Net position, beginning of year as previously stated	9,875,992	9,875,992	9,875,992	-
Restatement	-	-	83,498	83,498
Net position, beginning of year as restated	-	-	9,959,490	9,959,490
Net position, end of year	\$ 9,983,178	\$ 9,983,178	\$ 9,885,815	\$ 9,778,629
<b>Reconciliation in fund balance - budgetary basis</b>				
Net change in fund balance - budgetary basis			\$ (73,675)	
Revenue Accrual			148,583	
Expenditure accrual			(1,526)	
Net change in fund balance - GAAP basis			\$ 73,382	

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 (NON-GAAP BASIS) AND ACTUAL ON BUDGETARY BASIS  
PROPRIETARY FUND - CEMETERY  
FOR THE YEAR ENDED June 30, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>				
Charges for services	\$ 1,800	\$ 1,800	\$ 725	\$ (1,075)
Total revenue	1,800	1,800	725	(1,075)
<b>EXPENDITURES:</b>				
Personnel services	-	-	-	-
Other operating expenses	1,800	1,800	710	1,090
Total expenditures	1,800	1,800	710	1,090
Excess (deficiency) of revenues over expenditures	-	-	15	15
Change in net position	-	-	15	15
Net position, beginning of year as previously stated	(726)	(726)	(726)	-
Restatement	-	-	9,518	9,518
Net position, beginning of year as restated	(726)	(726)	8,792	9,518
Net position, end of year	\$ (726)	\$ (726)	\$ 8,807	\$ 9,533

**Reconciliation in fund balance - budgetary basis**

Net change in fund balance - budgetary basis	\$ 15
Revenue Accrual	-
Expenditure accrual	-

Change in net position - GAAP basis \$ 15

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

**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)  
FOR THE YEAR ENDED JUNE 30, 2015

Prepared by : Tammy Zumwalt Title: Treasurer Date: October 6, 2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
N/A	Request for Bids	Las Cruces Radio Center	\$71,906.73	\$95,566.68	Code 3, 6596 Montana Ave. #H, El Paso, TX 79925; Sierra Communications, 408 S. Bullard St., Silver City, NM 88061; Las Cruces Radio Center, Inc.;4970 Black Quartz Rd., Las Cruces, NM 88011	Y	Y	P25 Radio System Implementation

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF DEPOSITORIES  
June 30, 2015

	<u>Type</u>	<u>Amount Per Bank</u>	<u>Plus DIT</u>	<u>Outstanding Checks</u>	<u>Balance Per Books</u>
First New Mexico Bank					
General - Operating	CK	\$ 976,624	\$ (702)	\$ 64,492	\$ 911,430
General	CD	121,385	-	-	121,385
EMS	CK	155,106	(900)	20,612	133,594
Cemetery	CD	10,171	-	-	10,171
Water	CD	<u>34,128</u>	<u>-</u>	<u>-</u>	<u>34,128</u>
Total		<u>\$1,297,414</u>	<u>\$ (1,602)</u>	<u>\$ 85,104</u>	<u>\$1,210,708</u>
Reconciliation:					
Government-Wide Cash					\$1,210,708
Petty cash					<u>111</u>
Total					<u>\$1,210,819</u>

Type:  
CK= Checking  
SV= Savings  
CD= Certificate of Deposit

	<b>1st New Mexico Bank</b>
Amount held in bank June 30, 2015	\$ 1,297,414
Less FDIC Insurance	<u>250,000</u>
Uninsured Public Funds	<u>1,047,414</u>
50% Collateral Requirements (Section 6-10-17 NMSA-1978)	(523,707)
Pledged Securities	<u>410,000</u>
Over (Under) Collateralized	<u>\$ (113,707)</u>

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, 2015

<u>Description of Pledged Collateral</u>	<u>Amount</u>	<u>Name and Location of Safekeeper</u>
Bernalillo NM Municipal School District , CUSIP #085279PL5, Maturing 8/1/2020	\$ 275,000	First New Mexico Bank
Penasco, New Mexico Independent School District, CUSIP # 706593AM2, Maturing 9/1/2022	<u>135,000</u>	First New Mexico Bank
Total pledged securities	<u>\$410,000</u>	

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
JOINT POWERS AGREEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

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



## COMPLIANCE SECTION



# Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Beth Fant, EA, Partner  
Brad Beasley, CPA, Partner

**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**

Timothy Keller  
New Mexico State Auditor  
and the Mayor and the Village Council of the  
Village of Columbus  
Columbus, New Mexico

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of Village of Columbus, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Village of Columbus' basic financial statements, and the combining and individual funds and related budgetary comparisons of Village of Columbus presented as supplemental information, and have issued our report thereon dated November 5, 2015.

## **Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2007-002, 2010-009, 2011-015, 2015-003)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. (2005-002, 2010-003, 2011-001, 2011-06, 2015-002)

## **Compliance and Other Matters**

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

## **Village of Columbus' Response to Findings**

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

## **Purpose of this Report**

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



Beasley, Mitchell & Co.  
Las Cruces, New Mexico  
November 5, 2015

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2015

**Section I - Financial Statements Findings**

PRIOR YEAR FINDINGS

2005-002	Legal Compliance with Budget	Revised and Repeated
2005-004	Late Audit Report	Resolved
2007-002	Failure to Apply GAAP	Revised and Repeated
2009-001	Failure to Provide Information	Resolved
2010-002	Lack of Separation of Duties	Resolved
2010-003	Capital Assets	Revised and Repeated
2010-005	Lack of Supporting Documentation for Disbursements	Resolved
2010-006	Payroll Documentation	Resolved
2010-008	Per Diem	Resolved
2010-009	Bank Reconciliation	Revised and Repeated
2011-001	Auditors Prepared Financial Statements	Revised and Repeated
2011-002	Information Technology	Resolved
2011-003	Citation Receivables	Resolved
2011-006	Audit Adjustments	Revised and Repeated
2011-010	Journal Entries	Resolved
2011-011	Repair and Maintenance-Capital Assets	Resolved
2011-012	Preparation of Financial Statements and Timeliness	Resolved
2011-014	Interest Expense	Resolved
2011-015	Invoices	Revised and Repeated
2011-016	Cash by Fund	Resolved
2012-001	Failure to Prepare Budget	Resolved

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2015

2013-001 Failure to File Quarterly Payroll Tax Returns Timely Resolved

CURRENT YEAR FINDINGS

2015-001 Cash register shortage

2015-002 Failure to have evaluation criteria

2015-003 Cash collateral

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Legal Compliance with Budget (2005-002) - Significant Deficiency**

**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, , the Village remitted payments for goods and services in excess of the adopted budget as follows:

Fund	Reason	Budget Expenses	Actual Expenses	Difference
Fire protection	Operating expenses	\$ 67,207	\$ 120,000	\$ 52,793
Recreation	Operating expenses	8,304	15,679	7,375
Lodgers tax	Operating expenses	3,200	3,771	571
Fire	Operating expenses	-	58,700	58,700
Capital projects Combined	Operating expenses	-	36,514	36,514
Joint utilities	Operating expenses	<u>429,037</u>	<u>534,064</u>	<u>105,027</u>
Totals		<u>\$ 507,748</u>	<u>\$ 768,728</u>	<u>\$ 260,980</u>

**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 hired a new Treasurer in April 2014. Beginning in FY2015, the Treasurer has begun reviewing budgeted amounts before purchase is authorized. Additionally, the Treasurer prepares financial statements monthly; compares expenses with budgeted amounts and reports her findings to all department heads. Finally, the Treasurer is prepared to submit proper documentation to the State in the event excessive expenditure is required.

**PROGRESS** The Village has taken measures to correct the finding, including implementing a more stringent review and approval process on purchasing.

**IMPLEMENTATION** **Expected Completion:** June 30, 2016 **Employee Responsible:** Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Failure to Apply GAAP (2007-002) - Material Weakness**

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<b>CONDITION</b>	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.
<b>CRITERIA</b>	Key employees or management should be trained in GAAP principles in recording the Village's financial transactions and in preparing its financial statements (Subsection H, 2.2.2.8 NMAC; SAS 112).
<b>CAUSE</b>	Key employees were not trained to be able to apply GAAP principles in recording the preparing the Village's financial statements.
<b>EFFECT</b>	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.
<b>RECOMMENDATION</b>	We suggest that management ensure that all employees receive training in applying generally accepted accounting principles when recording daily transactions.
<b>RESPONSE</b>	The Village of Columbus hired a new Treasurer in April 2014 who is familiar with GAAP and has begun applying aforementioned principles daily. The Treasurer has conducted training sessions with other staff members who are involved in recording financial transactions to ensure accuracy. A new Treasurer was hired in August, 2015 that will continue to correct errors..
<b>PROGRESS</b>	The Village has taken steps in clearing this finding by hiring qualified employees, with an accounting background.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
 VILLAGE OF COLUMBUS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2015

**Capital Assets (2010-003) - Significant Deficiency**

---

<b>CONDITION</b>	An inventory of capital assets was not performed during fiscal year 2015. 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.
<b>CRITERIA</b>	GASB 34 requires movements to report general infrastructure assets in the Statement of Net Position. 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.
<b>CAUSE</b>	The Village has not had the time and resources to update their fixed assets records.
<b>EFFECT</b>	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.
<b>RECOMMENDATION</b>	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.
<b>RESPONSE</b>	The Village of Columbus did not have an inventory of capital assets performed in FY 2015 nor was a cost for this service included in the current budget. However, the Village included cost for this in its ICIP plan and is prepared to follow up with Office of the State Auditor for names of companies that perform this type service.
<b>PROGRESS</b>	The Village determined that this finding cannot be clear with out assistance, thus they are currently looking for assistance in clearing the finding.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2017 <b>Employee Responsible:</b> Treasurer



STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Bank Reconciliation (2010-009) - Material Weakness**

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<b>CONDITION</b>	Bank balance is reconciled in a timely manner, however, prior years outstanding checks and deposits that exist in the reconciliation's have not been corrected.
<b>CRITERIA</b>	Section 6-6-3 NMSA, 1978 discusses good accounting practices and require that bank reconciliation's be performed monthly to ensure that cash receipts and cash disbursements are recorded in a correct and timely manner and that differences or errors be followed up and corrected in a timely manner.
<b>CAUSE</b>	Lack of management oversight resulting from a high turnover of Treasurer in the Village of Columbus
<b>EFFECT</b>	This will result in under/over statement of cash available.
<b>RECOMMENDATION</b>	All the prior years outstanding checks and deposits that exist in the reconciliation's must be corrected.
<b>RESPONSE</b>	At this time, the Village is preparing bank reconciliation by the 2nd working day of the new month. The reconciliation is being reviewed and approved by the mayor. All reconciliation's from prior years have been completed.
<b>PROGRESS</b>	The Village banks are reconciled, and they are working on addressing all old outstanding checks.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Auditors Prepared Financial Statements (2011-001) - Significant Deficiency**

---

<b>CONDITION</b>	The financial statements and related disclosures are not being prepared by the Village. The Village does not have a procedure in place to detect and correct material misstatements in the financial statements.
<b>CRITERIA</b>	A system of internal control over financial reporting does not stop at the general ledger. It includes controls over financial statement preparation, including footnote disclosures. The fact that the auditor prepares the financial statements may mean they are correct, but it doesn't eliminate the control deficiency. Statement on Auditing Standards (SAS) 109, paragraph 41 states the following: "Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of the entity's objective with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations, internal control over safeguarding of assets against unauthorized acquisition, use, or disposition may include control relating to financial reporting and operations objectives." Appropriate internal control procedures over financial reporting include the ability to prepare financial statements in accordance with GAAP or at a minimum; management should have the ability to comprehend the requirements for financial reporting. Financial statements prepared in accordance with GAAP include all required statements of financial position, statements of changes in financial position, changes in cash flow and notes. SAS 115, paragraph 11 provides examples of factors that may affect the likelihood that a control, or combination of controls could fail to prevent or detect a misstatement. Once such example is "The nature of financial statements accounts, disclosures, and assertions involved."
<b>CAUSE</b>	The Village lacks the proper ability to prepare financial statements and the associated disclosures. When audit services are sought, there is a requirement that the auditor will prepare the financial statements. In the past this may have been sufficient, however, the accounting profession, by issuance of SAS 115, now requires recognition and reporting of significant deficiencies in internal control when there is an ineffective oversight of the financial reporting and internal control by those charged with governance.
<b>EFFECT</b>	The Village has a control deficiency since there are not sufficient controls over the preparation of financial statements and related disclosures. The risk of material misstatement of the financial statements is increased by the lack of control procedures over the preparation of the Village's financial statements. Since the Village personnel lack the ability to prepare, and did not prepare the financial statements, there is an increased risk that a misstatement of the Village's financial statements that is other than inconsequential, will not be prevented or detected. Further, since the Village accounting staff lacks the proper knowledge or training regarding the requirements of GAAP financial reporting, there is more than a remote possibility that a material misstatement of the financial statements will not be prevented or detected.
<b>RECOMMENDATION</b>	The Village should have its current staff undergo training so they can develop the ability to prepare financial statements and related notes or they should hire a separate certified public accountant with government accounting experience and that has the ability to prepare financial statements and related disclosures in accordance with Generally Accepted Accounting Standards. The CPA could assist the Village during the year and prior to the audit.
<b>RESPONSE</b>	The Village of Columbus Finance Department will obtain training to prepare GASB 34 Government Wide Financial Statements.
<b>PROGRESS</b>	The Village is currently looking for additional training, and expect to be able to prepare all adjustments for the financial statements.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Audit Adjustments (2011-006) - Significant Deficiency**

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<b>CONDITION</b>	The Village did not record the auditing adjustment entries from 2014, causing fund balance and net assets accounts to be misstated.
<b>CRITERIA</b>	The Governmental Accounting Standards Board, Codification of Governmental Accounting and Financial Reporting Standards (GASB), Section 1000 requires governments to prepare financial statements on the modified accrual basis for governmental type funds and full accrual basis for enterprise type funds.
<b>CAUSE</b>	There were too many errors in prior years. Village was unable to identify how to book adjusting entries and correct errors.
<b>EFFECT</b>	Significant audit adjustments were required in 2015 to reconcile beginning fund balances and net assets to the 2014 ending balances.
<b>RECOMMENDATION</b>	The Village should implement a control system in accordance with NMAC 6.20.2.22 C in order to post all prior year adjustments.
<b>RESPONSE</b>	The Village will record audit adjustment entries for FY 2015 with the assistance of the auditors and Caselle.
<b>PROGRESS</b>	The Village expects to record all the audit entries as soon as the State Auditor releases the audit.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
 VILLAGE OF COLUMBUS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2015

**Invoices (2011-015) - Material Weaknesses**

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<b>CONDITION</b>	The Village does not have an invoicing system that can track the invoice number. The invoices sent out by the utilities department do not have invoice numbers thus it is difficult to trace invoices. No value can be determined in the scope of the utilities testing.
<b>CRITERIA</b>	Per Audit Rule 2.2.2.8 O. Preparation of Financial Statements, the financial statements are the responsibility of the agency. The agency shall maintain adequate accounting records, prepare financial statements in accordance with accounting principles generally accepted in the United States of America and provide complete, accurate, and timely information to the IPA as requested to meet the audit report due date imposed in Subsection A of 2.2.2.9 NMAC.
<b>CAUSE</b>	The Village is not familiar with the utilities invoicing system thus could not produce invoice numbers to IPA.
<b>EFFECT</b>	The concern is that if there is an invoice created, it can be deleted and no one could trace a gap between invoices and could not determine completeness of revenue and accounts receivable.
<b>RECOMMENDATION</b>	The Village needs to get additional training on the invoicing system, and needs to use invoice numbers to properly track utility billings accordingly.
<b>RESPONSE</b>	The Village has spoken with Caselle regarding this issue. When posting utility payments in Caselle, the system automatically applies any payments received to the oldest utility balance. Their system is not equipped to print utility bills with invoice numbers. Caselle will set blocks that will limit access to any Village employee desiring to delete any transactions, including utility bills.
<b>PROGRESS</b>	The Village is taking forth measures to mitigate risks posed by the inability to trace invoices. The accounting system that they operate will not allow invoice numbering.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Cash register shortage (2015-001) - Other Non-Compliance**

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<b>CONDITION</b>	During a surprise cash register count, it was identified that the cash register was \$10 short for the day.
<b>CRITERIA</b>	Per Section 6-10-2 NMSA Public money; cash books; daily balance; public record. (2003), It is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business. Except as may be otherwise provided by law, the cash record is a public record and is open to public inspection. It is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money.
<b>CAUSE</b>	There is a lack of management oversight and a proper training has not been provided to the clerks.
<b>EFFECT</b>	The village cannot account for all public money.
<b>RECOMMENDATION</b>	Village of Columbus must ensure that higher level management is aware of the frequency in which the cash shortage has been occurring. Village of Columbus should provide adequate cash management training to its clerks.
<b>RESPONSE</b>	Treasurer is reviewing all deposits to ensure there are no shortages. All employees received a mini online course in cash management. The water clerk will count the drawer and prepare the cash report while the municipal clerk will prepare the deposit slip and verify the count. Treasurer will verify the following day. Treasurer will review sales report at various time during the day to ensure how much money should be in drawer at that time. All overages/shortages will be investigated.
<b>PROGRESS</b>	The Village has implemented steps to mitigate the risk.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> January 1, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

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**Failure to have evaluation criteria (2015-002) - Significant Deficiency**

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<b>CONDITION</b>	During procurement testwork, it was identified that the Village does not consider evaluation criteria in determining the lowest responsive bid.
<b>CRITERIA</b>	TITLE 1 General Government administration, Chapter 4 State procurement, part 1 procurement code regulations, 1.4.1.16 INVITATION FOR BIDS (IFB") A. C Evaluation criteria. The IFB shall set forth the evaluation criteria that will be used to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria such as discounts, transportation costs and total or life-cycle costs that will affect the bid price shall be objectively measurable. No criteria may be used in bid evaluation that are not set forth in the IFB.
<b>CAUSE</b>	The Village has not been following State Procurement code regulations that requires all state agencies to determine the lowest responsive bid by considering evaluation criteria.
<b>EFFECT</b>	Failure to have evaluation criteria in determining the bids may result in the selection of low quality bids.
<b>RECOMMENDATION</b>	The Village must set criteria to ensure that all the responsive bids are adequately evaluated through an evaluation committee.
<b>RESPONSE</b>	All future IFB's will have detailed evaluation criteria that is evaluated through a committee.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2015

**Cash Collateral (2015-003) - Material Weakness**

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<b>CONDITION</b>	Columbus has \$1,297,495 in cash of which \$250,000 is secured by FDIC. From the remainder, \$1,047,415 is left uninsured. Of this amount \$523,707 needs to be collateralized. The Village only held collateral of \$410,000 thus the Village is undercollateralized by \$113,707.
<b>CRITERIA</b>	Per section 6-10-17 NMSA 1978, the Municipality must have pledge collateral for 50% of the uninsured and uncollateralized balance.
<b>CAUSE</b>	Lack of management oversight resulting from high turnover in the Treasurers office has resulted in lack of compliance
<b>EFFECT</b>	Having funds uncollateralized poses increased risk for the Village
<b>RECOMMENDATION</b>	The Village should meet with their financial institutions and work out an agreement to ensure they are sufficiently collateralized year around.
<b>RESPONSE</b>	The mayor and Treasurer are seeking to collateralize the cash. If FNMB cannot fully collateralize to the 50%, we may move CD's to different bank in order to satisfy this requirement. We plan to be 50% collateralized within 30 days.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> June 30, 2016 <b>Employee Responsible:</b> Treasurer

STATE OF NEW MEXICO  
VILLAGE OF COLUMBUS  
ENTRANCE AND EXIT CONFERENCE  
FOR THE YEAR ENDED June 30, 2015

An entrance conference was held on July 13, 2015 in a closed meeting with Beasley, Mitchell & Co., LLP, with the following Village officials:

Philip Skinner	Mayor
Margie Osmer	Former Treasurer

Beasley, Mitchell & Co., LLP

Dahlia Garcia	Audit Senior
Avi Chetry	Audit Staff
Amr Sakka	Audit Intern

An exit conference was held on September 21, 2015 in a closed meeting with Beasley, Mitchell & Co., LLP, with the following Village officials:

Philip Skinner	Mayor
Tammy Zumwalt	Treasurer
Margie Osmer	Consultant

Beasley, Mitchell & Co., LLP

Dahlia Garcia	Audit Senior
Avi Chetry	Audit Staff

The financial statements presented in this report were compiled with the assistance of the auditors, Beasley, Mitchell & Co., LLP. However, the contents of the financial statements remain the responsibility of management.