

STATE OF NEW MEXICO
VILLAGE OF QUESTA

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT THEREON**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013**

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
OFFICIAL ROSTER
AS OF JUNE 30, 2013**

VILLAGE COUNCIL

Esther Garcia Mayor
Brent Jaramillo Councilor
Lawrence A. Ortega Councilor
Mark L. Gallegos Councilor
Evelyn Ortega-Coggins Councilor

VILLAGE OFFICIALS

Jim Fambro Village Administrator
Renee Martinez Village Clerk / Treasurer
Danielle Lovato Finance Director
Michael G. Rael Village Judge

Kubiak & Melton, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico
and
To the Honorable Mayor and the Village Council
Village of Questa
Questa, New Mexico

Report on 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, the major special revenue funds and the major capital projects funds of the State of New Mexico, Village of Questa (Village) as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We were also engaged to audit the financial statements of each of the Village's non-major governmental funds, and the budgetary comparisons for all non-major governmental funds and non-major capital project funds, presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Because of the matters described in the Basis for Disclaimer of Opinions 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

The Village could not provide adequate supporting documentation for all transactions during the fiscal year ended June 30, 2013 which was a result of inadequate internal controls over financial reporting for all governmental activities and business-type activities. The Village's records do not permit the application of auditing procedures to all transaction classes. Since the Village could not provide adequate supporting documentation for all transactions for the year ended

June 30, 2013, we were unable to apply other auditing procedures to satisfy ourselves as the accuracy of the financial statements listed in the table of contents, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the financial statements listed in the table of contents.

Disclaimer of Opinion

Because of the significance of the matters 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:

The Village has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 this missing information.

Other Information

We were engaged to conduct and audit for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The additional schedules listed as other supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

For the reasons described above, we were unable to obtain sufficient evidential matter to form an opinion regarding the fair presentation of this information in relation to the basic financial statements taken as a whole and accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision 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 the Village's internal control over financial reporting and compliance.

Kubiak & Melton, LLC

Kubiak & Melton, LLC
Albuquerque, New Mexico, June 17, 2014

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 287,163	\$ 216,210	\$ 503,373
Taxes Receivable	95,765	979	96,744
Accounts Receivable	7,814	192	8,006
Total Current Assets	390,742	217,381	608,123
Capital Assets:			
Capital Assets Not Being Depreciated	6,148,115	-	6,148,115
Capital Assets Being Depreciated	6,352,288	5,074,942	11,427,230
Less: Accumulated Depreciation	(1,256,092)	(2,350,466)	(3,606,558)
Capital Assets, Net	11,244,311	2,724,476	13,968,787
TOTAL ASSETS	\$ 11,635,053	\$ 2,941,857	\$ 14,576,910
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ -	\$ 616	\$ 616
Accrued Salaries and Benefits	13	-	13
Accrued Interest	-	-	-
Accrued Compensated Absences	14,517	3,004	17,521
Current Portion of Loan and Bonds Payable	27,250	14,018	41,268
Total Current Liabilities	41,780	17,638	59,418
Noncurrent Liabilities			
Loans and Bonds Payable, Net	335,739	206,107	541,846
Total Noncurrent Liabilities	335,739	206,107	541,846
TOTAL LIABILITIES	377,519	223,745	601,264
NET POSITION			
Net Investment in Capital Assets	11,244,311	2,724,476	13,968,787
Restricted for Special Revenue Funds	166,762	-	166,762
Restricted for Capital Projects Funds	-	-	-
Unrestricted	(153,539)	(6,364)	(159,903)
Total Net Position	11,257,534	2,718,112	13,975,646
TOTAL LIABILITIES AND NET POSITION	\$ 11,635,053	\$ 2,941,857	\$ 14,576,910

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions and Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 1,258,479	\$ 115,836	\$ 1,751,096	\$ -	\$ 608,453	\$ -	\$ 608,453
Public Safety	241,134	-	-	-	(241,134)	-	(241,134)
Public Works	125,395	-	-	-	(125,395)	-	(125,395)
Culture and Recreation	37,464	-	-	-	(37,464)	-	(37,464)
Compensated Absences Expense	(6,756)	-	-	-	6,756	-	6,756
Interest on Long-Term Debt	64,446	-	-	-	(64,446)	-	(64,446)
Total Governmental Activities	1,720,162	115,836	1,751,096	-	146,770	-	146,770
Business-Type Activities							
Joint Utility	592,829	374,585	-	-	-	(218,244)	(218,244)
Solid Waste	236,620	175,171	-	-	-	(61,449)	(61,449)
Total Business-Type Activities	829,449	549,756	-	-	-	(279,693)	(279,693)
General Revenues:							
Taxes:							
Property Taxes levied for general purposes					101,480	-	101,480
Franchise Taxes					34,342	-	34,342
Gross Receipts Taxes					-	-	-
Public Service Taxes					-	-	-
Interest Income					6,894	-	6,894
Miscellaneous Income					34,735	-	34,735
Subtotal, General Revenues					177,451	-	177,451
Change in Net Position					324,221	(279,693)	44,528
Beginning Net Position					10,933,313	2,997,805	13,931,118
Ending Net Position					\$ 11,257,534	\$ 2,718,112	\$ 13,975,646

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Water System Improvement Fund</u>	<u>WWTP Improvement Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 341,800	\$ -	\$ -	\$ -
Accounts and Taxes Receivable	95,587	-	-	-
Due From Other Governments	-	-	-	-
Due From Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 437,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ -	\$ 68,737	\$ 82,586
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	13	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
TOTAL LIABILITIES	<u>13</u>	<u>-</u>	<u>68,737</u>	<u>82,586</u>
FUND BALANCES				
Restricted:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned:				
General Fund	437,374	-	-	-
Special Revenue Funds	-	-	(68,737)	(82,586)
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCES	<u>437,374</u>	<u>-</u>	<u>(68,737)</u>	<u>(82,586)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 437,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)
JUNE 30, 2013**

	<u>Airport Improvement Fund</u>	<u>Local Road Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 159,030	\$ 500,830
Accounts and Taxes Receivable	-	-	178	95,765
Due From Other Governments	159	-	7,655	7,814
Due From Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 159</u>	<u>\$ -</u>	<u>\$ 166,863</u>	<u>\$ 604,409</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ 24,890	\$ 37,353	\$ 101	\$ 213,667
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	13
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
TOTAL LIABILITIES	<u>24,890</u>	<u>37,353</u>	<u>101</u>	<u>213,680</u>
 FUND BALANCES				
Restricted:				
Special Revenue Funds	-	-	166,762	166,762
Capital Projects Funds	-	-	-	-
Unassigned:				
General Fund	-	-	-	437,374
Special Revenue Funds	-	-	-	(151,323)
Capital Projects Funds	(24,731)	(37,353)	-	(62,084)
TOTAL FUND BALANCES	<u>(24,731)</u>	<u>(37,353)</u>	<u>166,762</u>	<u>390,729</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 159</u>	 <u>\$ -</u>	 <u>\$ 166,863</u>	 <u>\$ 604,409</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Total Fund Balance - Governmental Funds \$ 390,729

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

Capital Assets	12,500,403	
Accumulated Depreciation	<u>(1,256,092)</u>	
Capital Assets, Net		11,244,311

Long-term 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:

Accrued Compensated Absences	(14,517)	
Long-Term Debt	<u>(362,989)</u>	
		<u>(377,506)</u>

Net Position of Governmental Activities **\$ 11,257,534**

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Water System Improvement Fund</u>	<u>WWTP Improvement Fund</u>
REVENUES				
Property Taxes	\$ 64,152	\$ -	\$ -	\$ -
Gross Receipt Taxes	699,948	-	-	-
Public Service Taxes	5,170	-	-	-
Franchise Taxes	34,342	-	-	-
Federal Sources	-	-	-	-
State Sources	196,074	-	54,235	13,501
Local Sources	3,500	-	-	-
Charges for Services	18,205	-	-	-
Licenses and Fees	29,121	-	-	-
Investment Income	-	-	-	-
Miscellaneous	17,281	-	-	-
TOTAL REVENUES	<u>1,067,793</u>	<u>-</u>	<u>54,235</u>	<u>13,501</u>
EXPENDITURES				
Current				
General Government	1,008,064	-	-	-
Public Safety	38,496	-	-	-
Public Works	-	-	-	-
Culture and Recreation	4,964	-	-	-
Capital Outlay	6,800	130,888	21,831	95,424
TOTAL EXPENDITURES	<u>1,058,324</u>	<u>130,888</u>	<u>21,831</u>	<u>95,424</u>
NET CHANGE IN FUND BALANCES	9,469	(130,888)	32,404	(81,923)
FUND BALANCE, BEGINNING OF YEAR	<u>427,905</u>	<u>130,888</u>	<u>(101,141)</u>	<u>(663)</u>
FUND BALANCE, END OF YEAR	<u>\$ 437,374</u>	<u>\$ -</u>	<u>\$ (68,737)</u>	<u>\$ (82,586)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

	Airport Improvement Fund	Local Road Project Fund	Other Governmental Funds	Total
REVENUES				
Property Taxes	\$ -	\$ -	\$ 37,328	\$ 101,480
Gross Receipt Taxes	-	-	13,355	713,303
Public Service Taxes	-	-	20,618	25,788
Franchise Taxes	-	-	-	34,342
Federal Sources	-	-	17,500	17,500
State Sources	99,074	156,972	467,149	987,005
Local Sources	-	-	4,000	7,500
Charges for Services	-	-	3,150	21,355
Licenses and Fees	-	-	65,360	94,481
Investment Income	-	-	6,894	6,894
Miscellaneous	-	-	17,454	34,735
TOTAL REVENUES	99,074	156,972	652,808	2,044,383
EXPENDITURES				
Current				
General Government	-	-	250,415	1,258,479
Public Safety	-	-	202,638	241,134
Public Works	109,908	-	15,487	125,395
Culture and Recreation	-	-	32,500	37,464
Capital Outlay	17,102	156,972	3,948	432,965
TOTAL EXPENDITURES	127,010	156,972	504,988	2,095,437
NET CHANGE IN FUND BALANCES	(27,936)	-	147,820	(51,054)
FUND BALANCE, BEGINNING OF YEAR	3,205	(37,353)	18,942	441,783
FUND BALANCE, END OF YEAR	<u>\$(24,731)</u>	<u>\$(37,353)</u>	<u>\$ 166,762</u>	<u>\$ 390,729</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Net Changes in Fund Balance - Governmental Funds \$ (51,054)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, the governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays in the period:

Capital Outlay	432,965
Interest on Long-term Debt	(64,446)

In the Statement of Activities, certain operating expenses - compensated absences payable and are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid):

Compensated Absences Expense	6,756
------------------------------	-------

Change in Net Position of Governmental Activities **\$ 324,221**

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES, BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
(NON-GAAP BUDGETARY BASIS) – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property Taxes	\$ 54,000	\$ 54,000	\$ 64,152	\$ 10,152
Gross Receipts	489,467	489,467	521,097	31,630
Public Service Taxes	-	-	5,170	5,170
Franchise Taxes	44,000	44,000	34,342	(9,658)
Federal Sources	-	-	-	-
State Sources	171,074	171,074	196,074	25,000
Local Sources	28,500	28,500	3,500	(25,000)
Charges for Services	10,600	10,600	18,205	7,605
Lincenses and Fees	28,850	28,850	29,121	271
Investment Income	-	-	-	-
Miscellaneous	18,667	18,667	17,281	(1,386)
TOTAL REVENUES	<u>845,158</u>	<u>845,158</u>	<u>888,942</u>	<u>43,784</u>
EXPENDITURES				
Current				
General Government	645,319	645,319	1,123,362	(478,043)
Public Safety	233,498	233,498	38,496	195,002
Public Works	-	-	-	-
Culture and Recreation	-	-	4,964	(4,964)
Capital Outlay	-	-	6,800	(6,800)
TOTAL EXPENDITURES	<u>878,817</u>	<u>878,817</u>	<u>1,173,622</u>	<u>(294,805)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,659)	(33,659)	(284,680)	338,589
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	(33,659)	(33,659)	<u>\$ (284,680)</u>	<u>\$ 338,589</u>
Prior Year Cash Balance Budgeted	<u>\$ 33,659</u>	<u>\$ 33,659</u>		

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013**

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 213,632	\$ 2,578	\$ 216,210
Accounts Receivable, Net	979	-	979
Due From Other Governments	-	192	192
Due From Other Funds	-	-	-
TOTAL CURRENT ASSETS	<u>214,611</u>	<u>2,770</u>	<u>217,381</u>
NONCURRENT ASSETS			
Capital Assets	5,074,942		5,074,942
Less: Accumulated Depreciation	<u>(2,350,466)</u>	<u>-</u>	<u>(2,350,466)</u>
Capital Assets, Net	<u>2,724,476</u>	<u>-</u>	<u>2,724,476</u>
TOTAL ASSETS	<u>\$ 2,939,087</u>	<u>\$ 2,770</u>	<u>\$ 2,941,857</u>
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts Payable	\$ 616	\$ -	\$ 616
Accrued Salaries and Benefits	-	-	-
Accrued Compensated Absences	3,004	-	3,004
Current Maturity of Bonds and Notes Payable	<u>14,018</u>	<u>-</u>	<u>14,018</u>
TOTAL CURRENT LIABILITIES	<u>17,638</u>	<u>-</u>	<u>17,638</u>
NONCURRENT LIABILITIES			
Long-Term Debt, Net	<u>206,107</u>	<u>-</u>	<u>206,107</u>
TOTAL NONCURRENT LIABILITIES	<u>206,107</u>	<u>-</u>	<u>206,107</u>
TOTAL LIABILITIES	<u>223,745</u>	<u>-</u>	<u>223,745</u>
NET POSITION			
Net Investment in Capital Assets	2,724,476	-	2,724,476
Unrestricted	<u>(9,134)</u>	<u>2,770</u>	<u>(6,364)</u>
TOTAL NET POSITION	<u>2,715,342</u>	<u>2,770</u>	<u>2,718,112</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,939,087</u>	<u>\$ 2,770</u>	<u>\$ 2,941,857</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 374,585	\$ 175,171	\$ 549,756
TOTAL OPERATING REVENUES	<u>374,585</u>	<u>175,171</u>	<u>549,756</u>
OPERATING EXPENSES			
Personal Services	496,280	21,567	517,847
Contractual Services	5,629	211,969	217,598
Supplies and Purchased Power	43,859	-	43,859
Maintenance and Materials	36,126	2,700	38,826
Heat, Light and Power	7,931	384	8,315
Compensated Absences Expense	3,004	-	3,004
TOTAL OPERATING EXPENSES	<u>592,829</u>	<u>236,620</u>	<u>829,449</u>
OPERATING INCOME (LOSS)	<u>(218,244)</u>	<u>(61,449)</u>	<u>(279,693)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	-	-	-
Miscellaneous Income	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(218,244)	(61,449)	(279,693)
NET POSITION, BEGINNING OF YEAR	<u>2,933,586</u>	<u>64,219</u>	<u>2,997,805</u>
NET POSITION, END OF YEAR	<u>\$ 2,715,342</u>	<u>\$ 2,770</u>	<u>\$ 2,718,112</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
PROPRIETARY FUNDS
STATEMENT CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Joint Utility Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From User Charges	\$ 374,585	\$ 175,171	\$ 549,756
Cash Payments to Employees for Services	(400,699)	(21,567)	(422,266)
Cash Payments to Suppliers for Goods and Services	(96,549)	(177,448)	(273,997)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(122,663)	(23,844)	(146,507)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Change in Compensated Absences	20,624	-	20,624
Miscellaneous Income	-	-	-
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	20,624	-	20,624
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	-	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(102,039)	(23,844)	(125,883)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	315,671	26,422	342,093
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 213,632</u>	<u>\$ 2,578</u>	<u>\$ 216,210</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (loss)			
Adjustments to reconcile operating income (loss) to net cash used by operating activities	\$ (218,244)	\$ (61,449)	\$ (279,693)
Changes in assets and liabilities:			
Change in receivables	98,393	52,107	150,500
Change in accounts payable	(4,054)	14,502	10,448
Change in accrued salaries and benefits	1,242	(29,004)	(27,762)
NET CASH PROVIDED FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (122,663)</u>	<u>\$ (23,844)</u>	<u>\$ (146,507)</u>

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
JUNE 30, 2013**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u> 33</u>
TOTAL ASSETS	\$ <u> 33</u>
LIABILITIES	
Due to Other Taxing Units	\$ <u> 33</u>
TOTAL LIABILITIES	\$ <u> 33</u>

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1. Summary of Significant Accounting Policies

The Village of Questa (Village) was incorporated in 1971, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The Village of Questa is a body politic and corporate under the name and form of government selected by its qualified electors. The Village may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

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 government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the Village's accounting policies are described below.

A. Financial 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 statements No. 14. The basic-but not the only-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.

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FOR THE YEAR ENDED JUNE 30, 2013**

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. Government-wide and fund financial statements

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 Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement no. 33, Accounting and Financial Reporting for Non exchange transactions.

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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available

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**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Governmental 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 fixed assets and the servicing of general long-term debt.

Governmental funds include:

The General Fund 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.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

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

Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements consist of the General Fund, Economic Development Fund, Water Improvement Fund, WTPP Improvement Fund, Airport Improvement Fund, and Local Project Road Fund. No other funds were required to be presented as major at the discretion of management.

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
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FOR THE YEAR ENDED JUNE 30, 2013**

The *General Fund* 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.

The *Economic Development Fund* (Special Revenue Fund) is used to account for funds related to the Economic Development of the Village of Questa.

The *Water System Improvement Fund* is used to account for improvement to the water system. Funding is a ¼ cent sales tax imposed by legislation for such projects.

The *WWTP Improvement Fund* is to account for improvements to the Waste Water Treatment Plant.

The *Airport Improvement Fund* is to account for reserve monies related to the Airport.

The *Local Road Project Fund* is to account for reserve monies related to local road maintenance.

The government reports its Joint Utility and Solid Waste enterprise fund as major governmental funds.

Additionally, the government reports the following fund types:

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

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

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for services at the Village Utilities. Operating expenses for enterprise funds

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FOR THE YEAR ENDED JUNE 30, 2013**

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 and expenses.

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

C. Overview of the financial statements

The Village adopted the provisions of GASB Statement No. 34, Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. This statement affects the manner in which the Village records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions, and include the following sections, which were not previously included in the basic financial statements. The governmental fund financial statements continue to be presented as a building block for the new GASB Statement No. 34 statements.

a. Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the Village's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations. The Village has omitted the Management's Discussion and Analysis for the year ended June 30, 2013.

b. Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the Village's activities. This approach includes not just current assets and liabilities but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position - The statement of net position is designed to display the financial position of the primary government (government and business-type activities). The Village now reports all capital assets in the government-wide statement of net position and reports depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of the Village is broken down into three categories 1) net investment in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the Village's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the Village has recorded capital and certain other long term assets and liabilities in the statement of net position, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities.

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
NOTES TO FINANCIAL STATEMENTS
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D. Assets, Liabilities, and Net Position or Fund Balance

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

State statutes authorize the Village to invest in certificates of deposit, obligations of the U.S. Government, interest-bearing savings accounts, certificates of deposit, bonds or other obligations of the U/S. government that are guaranteed as to principal and interest by the U.S. government and the State Treasurer's Investment Pool.

Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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 available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the Village may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Taos County bills, collects, and remits the Village of Questa's share of property taxes.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

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

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.

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**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
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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. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Permanent Buildings	45
Vehicles	20
Computer Equipment	5
Other Furniture and Equipment	5-20

Unearned Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

Deferred Outflows and Deferred Inflows of Resources: The Village implemented the provisions of GASB statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

In addition to assets, the statement of financial position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position which applies to a future period and so will not be recognized as an outflow of resources that is expensed, until then. The Village does not have any of this type of item.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until such time. The Village does not have any of this type of item.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule, depending on their length of service. Employees may accumulate 120 hours of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for a maximum of 120 hours of accrued annual leave.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year. Upon termination employees receive no pay for sick time accumulated.

Vested or accumulated vacation leave that is expected to be liquidated within the next twelve months with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation

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**STATE OF NEW MEXICO
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leave that are not expected to be liquidated within the next twelve months are reported in the government-wide statement of net position.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Investment in Capital Assets - In the fund financial statements, investment in capital assets is reported net of depreciation.

Restricted Net Position – This category reflects the portion of net position that have third party limitations on their use.

Unrestricted Net Position – This category reflects net position of the Agency, not restricted for any project or other purpose.

Fund Balance: During 2009, GASB adopted Statement No. 54 to clarify the fund balance reporting guidelines of GASB 54. The fund balance reporting established by GASB 54 must be followed by all five of the governmental-type funds used by state and local governments. Based on the requirements of GASB 54, the total fund balance can be conceptually separated into two primary components: 1) Non-spendable fund balance and 2) Spendable fund balance. Fund balance is reported in these five classifications:

Non-spendable – the non-spendable balance includes amounts that cannot be spent because they are not in spendable form or legally, contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash; it also includes the long-term amount of interfund loans.

Restricted fund balance – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance amount has spending limitations that are constrained by the government’s highest level of decision-making authority.

Assigned – The assigned fund balance classification is intended to be used for specific purposes such as special revenue funds, capital project funds, debt service funds and permanent funds.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amount not contained in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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**STATE OF NEW MEXICO
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The Village applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund 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 interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

The General, Special Revenue, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division. During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the Village submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the Village to operate on the proposed budget subject to adjustments and/or revisions prior to final subsequent approval before the first Monday in September. Such approval is contingent upon the Village Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the Village Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the legal level of budgetary control is at the fund level.

The adopted budget of the Village is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The accompanying Statements of

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**STATE OF NEW MEXICO
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Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

NOTE 3. Cash and Cash Equivalents

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The Dodd Frank Act of 2010 required that all funds in a non-interest bearing bank account be fully insured by the FDIC through December 31, 2013. The Village of Questa has one account that is interest bearing account therefore; that account will not be subject to the Dodd-Frank Act of 2010.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Village's deposits:

	<u>Centinel Bank</u>	<u>U.S. Bank</u>	<u>People's Bank of Red River</u>
Total Deposits in Bank	\$ 652,141	\$ 36,393	\$ 600
Less: FDIC Coverage	<u>(250,000)</u>	<u>(36,393)</u>	<u>(600)</u>
Total Uninsured Public Funds	402,141	-	-
50% Collateralization Requirement	201,071	-	-
Pledged Collateral	<u>250,000</u>	<u>-</u>	<u>-</u>
Excess of Pledged Collateral	<u>\$ 48,930</u>	<u>\$ -</u>	<u>\$ -</u>

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Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2013, none of the Village's bank balance of \$689,134 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	-
Uninsured and Collateral Held by Pledging Banks' Trust		
Department not in the Village's Name		-
Total	<u>\$</u>	<u>-</u>

The collateral pledged is listed on page 74 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

Reconciliation of Cash and Temporary Investments:

Carrying amounts by fund per financial statement at June 30, 2013 is:

Cash and Cash Equivalents per:		
Statement of Net Position - Governmental Activities	\$	287,163
Statement of Fiduciary Assets and Liabilities - Agency Funds		33
Statement of Net Position - Business-Type Activities		<u>216,210</u>
Total	<u>\$</u>	<u>503,406</u>

Custodial Credit Risk – Investments: For an investment, custodial credit risk is the risk that in the event of counter party, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does not have an investment policy for custodial credit risk. The Village's investments are in certificates of deposits and investment in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP is not subject to custodial credit risk and the custodial credit risk for the certificates of deposits is contemplated in custodial risk – cash.

Concentration of Credit Risk: The Village does not have a policy for concentration of credit risk.

Interest Rate Risk and Credit Rating: The Village does not have a formal investment policy which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Village does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored

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by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distributed dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2013. Participation in the Local Government Investment Pool is voluntary.

New Mexico State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least 102% of the amount on deposit with the institution. There are no repurchase agreements for the year ended June 30, 2013.

NOTE 4. Accounts Receivable

	<u>General Fund</u>	<u>Non-Major funds</u>	<u>Business Type Activities</u>	<u>Total Government Wide</u>
Taxes:				
Gross Receipts Tax	\$ 95,765	\$ -	\$ -	\$ 95,765
Franchise Tax	-	-	-	-
Property Taxes	-	-	979	979
Gas and Motor	-	-	-	-
Vehicle Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other	<u>7,636</u>	<u>178</u>	<u>192</u>	<u>8,006</u>
Total Receivables	<u>\$ 103,401</u>	<u>\$ 178</u>	<u>\$ 1,171</u>	<u>\$ 104,750</u>

There was no allowance for uncollectible accounts at June 30, 2013.

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NOTE 5. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2013 follows (Land and Construction in Progress is not subject to depreciation):

Governmental Activities:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Capital Assets Not Being Depreciated:				
Land	\$ 45,237	\$ -	\$ -	\$ 45,237
Construction in Progress	6,102,878	-	-	6,102,878
Total Capital Assets Not Being Depreciated	6,148,115	-	-	6,148,115
Capital Assets Being Depreciated:				
Furniture, Fixtures and Equipment	423,715	432,965	-	856,680
Vehicles	1,514,017	-	-	1,514,017
Buildings and Improvements	3,981,591	-	-	3,981,591
Total Capital Assets Being Depreciated	5,919,323	432,965	-	6,352,288
Total Capital Assets	12,067,438	432,965	-	12,500,403
Accumulated Depreciation:				
Furniture, Fixtures and Equipment	315,313	-	-	315,313
Vehicles	826,948	-	-	826,948
Buildings and Improvements	113,831	-	-	113,831
Total Accumulated Depreciation	1,256,092	-	-	1,256,092
Capital Assets, Net	<u>\$ 10,811,346</u>	<u>\$ 432,965</u>	<u>\$ -</u>	<u>\$ 11,244,311</u>

The Village did not record depreciation expense for the year ended June 30, 2013.

Business-Type Activities:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Capital Assets Being Depreciated:				
Plant in Service	\$ 4,209,293	\$ -	\$ -	\$ 4,209,293
Furniture, Fixtures and Equipment	693,392	-	-	693,392
Vehicles	172,257	-	-	172,257
Total Capital Assets Being Depreciated	5,074,942	-	-	5,074,942
Accumulated Depreciation:				
Plant in Service	1,959,029	-	-	1,959,029
Furniture, Fixtures and Equipment	256,979	-	-	256,979
Vehicles	134,458	-	-	134,458
Total Accumulated Depreciation	2,350,466	-	-	2,350,466
Capital Assets, Net	<u>\$ 2,724,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,724,476</u>

The Village did not record depreciation expense relating to business-type activities at June 30, 2013.

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NOTE 6. Long-Term Debt

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Activities:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
1.707%, Maturity 5/1/12					
NMFA Fire Truck	\$ 313,534	\$ -	\$ 24,784	\$ 288,750	\$ 22,250
0% State Board of Finance Loan					
Maturity November 2017	-	79,239	5,000	74,239	5,000
Compensated Absences Payable	<u>21,273</u>	<u>-</u>	<u>6,756</u>	<u>14,517</u>	<u>14,517</u>
Total Long-Term Debt	<u><u>\$ 334,807</u></u>	<u><u>\$ 79,239</u></u>	<u><u>\$ 36,540</u></u>	<u><u>\$ 377,506</u></u>	<u><u>\$ 41,767</u></u>

The annual requirements to amortize the NMFA Fire Truck and the State Board of Finance Loan as of June 30, 2013, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 27,250	\$ 7,587	\$ 34,837
2015	27,750	7,251	35,001
2016	28,250	6,832	35,082
2017	29,250	6,347	35,597
2018	30,250	5,794	36,044
2019-2023	165,250	18,281	183,531
2024-2028	<u>54,989</u>	<u>1,034</u>	<u>56,023</u>
Total	<u><u>\$ 362,989</u></u>	<u><u>\$ 53,126</u></u>	<u><u>\$ 416,115</u></u>

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Business-Type Activities:

The Water and Sewer Fund has incurred various forms of debt, which were used for the purpose of constructing, expanding, repairing and making improvements to its property plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
\$140,000 original issue Series 1981 Water and Sewer Revenue Bonds payable in annual installments each June 1st through the year 2022. Interest is at 5% per annum.	\$ 68,000	\$ -	\$ 5,000	\$ 63,000	\$ 6,000
.25% NMFA Loan Payable					
Maturity June 2032	112,834	-	5,510	107,324	5,523
0% NM Environment Department					
Maturity June 2033	-	49,891	-	49,891	2,495
Compensated Absences Payable	<u>17,620</u>	<u>-</u>	<u>14,616</u>	<u>3,004</u>	<u>3,004</u>
Total Long-Term Debt	<u>\$ 198,454</u>	<u>\$ 49,891</u>	<u>\$ 25,126</u>	<u>\$ 223,219</u>	<u>\$ 17,022</u>

The annual requirements to amortize the bonds and loans above at June 30, 2013, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 14,018	\$ 3,418	\$ 17,436
2015	14,031	3,105	17,136
2016	14,045	2,791	16,836
2017	15,059	2,477	17,536
2018	15,073	2,113	17,186
2019-2023	71,573	4,805	76,378
2024-2028	40,926	502	41,428
2029-2033	<u>35,490</u>	<u>143</u>	<u>35,633</u>
Total	<u>\$ 220,215</u>	<u>\$ 19,354</u>	<u>\$ 239,569</u>

Each of the utility bonds has debt service and repair and replacement reserve requirements. At June 30, 2013 the following schedule shows the maximum reserves and actual reserves held by the Village:

<u>Series</u>	<u>Required Minimum Reserves</u>			<u>Actual at June 30, 2013</u>		
	<u>Payment Until Maximum</u>	<u>Debt Service</u>	<u>Repair and Replacement</u>	<u>Total</u>	<u>Debt Service</u>	<u>Repair and Replacement</u>
1981	\$232 per month	\$ 8,850	\$ -	\$ 8,850	\$ 9,150	\$ -
Total		<u>\$ 8,850</u>	<u>\$ -</u>	<u>\$ 8,850</u>	<u>\$ 9,150</u>	<u>\$ -</u>

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NOTE 7. Restricted Net Position

The government-wide statement of net position reports \$166,762 of restricted net position, of which all of it is restricted by enabling legislation.

NOTE 8. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The Village of Questa participates in the New Mexico Self-Insurer's Fund risk pool. Listed below is a summary of insurance coverage in force for the fiscal year ended June 30, 2013.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2013, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No lawsuits have been filed against the Village of Questa.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

The officials and certain employees of the Village are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation

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NOTES TO FINANCIAL STATEMENTS
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NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds: The funds with deficit fund balances as of June 30, 2013 were as follows:

<u>Fund</u>	<u>Amount</u>
Water System Improvement Fund	\$ (68,737)
WWTP Fund	(82,586)
Airport Improvement Fund	(24,731)
Local Road Project Fund	(37,353)
Homeland Security Grant	(101)

Deficit balances are generally covered by collection of grants or transfers from the General Fund.

- B. Excess of expenditures over appropriations by fund:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ (294,805)
Environmental Gross Receipts Tax	(2,285)
Fire Protection Fund	(7,995)
Law Enforcement Protection Fund - Capital Outlay	(3,948)
Municipal Judge Fund	(5,474)
Library Grant Fund	(1,029)
Economic Development Fund	(184,318)
Water System Improvements	(21,831)
Local Roads Fund	(156,972)
Homeland Security	(17,601)
Joint Utilities Proprietary Fund - Personal Services	(506,147)
Joint Utilities Proprietary Fund - Contractual Services	(5,629)
Joint Utilities Proprietary Fund - Maintenance and Materials	(36,126)
Joint Utilities Proprietary Fund - Heat, Light and Power	(7,931)
Solid Waste Fund	(251,122)

NOTE 10. PERA Pension Plans

Plan Description. Substantially all of the Village of Questa'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 Employees 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, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 7% to 8%% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and

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adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The Village of Questa is required to contribute 7% to 11%% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the (name of employer) are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village of Questa contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$42,583, \$36,812 and \$40,065, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 11. Post-Employment Benefits

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 01, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years. The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post employment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; an members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2013; the statute required each participating employer to contribute

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2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary. For employees which were not member of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Village of Questa's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$6,100, \$5,996 and \$6,679, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

The Village of Questa participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village of Questa may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the Village of Questa.

NOTE 13. 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. Liability for reimbursement, determined by Federal Auditors, which may arise as a result of these audits, may be material to the financial statements taken as a whole.

NOTE 14. Related Parties

The Village has entered into various related party transactions in the normal course of business. We are required to review those transactions to ensure that they are considered "arm's length" and are required to disclose those related party transactions that might have a material effect on the financial statements as a whole. The following related parties are deemed to have a material effect on the financial statements.

Name	Nature of Transactions	Amount
Robles, Rael and Anaya, P.C.	Legal services	\$ 54,373
Universal Professional Services	Lobbying services	\$ 43,270

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NOTE 15. Joint Power Agreements

A. Public Information Marquee

Purpose: Village of Questa agrees to provide the land for a Public School Marquee sign to be used by both the School District and the Village of Questa.

Participants: Questa Independent Schools and the Village of Questa

Responsible Party for Operation and Audit: Questa Independent Schools

Beginning and Ending Date of Agreement: July 01, 2007 to October 31, 2013

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

B. DWI Roadblocks

Purpose: To provide cooperation between municipal and county officials to provide additional law enforcement activities to combat DWI offenses.

Participants: Town of Taos, County of Taos, Town of Red River, and Village of Questa

Responsible Party for Operation and Audit: Taos County

Beginning and Ending Date of Agreement: July 01, 2009 to termination of agreement

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

C. Establishment of the Taos Regional Landfill

Purpose: Village of Questa agrees for establishing, financing and operating the Taos Regional Landfill Facility.

Participants: County of Taos, Town of Taos, Village of Questa, Village of Red River and Village of Taos Ski Valley.

Responsible Party for Operation and Audit: Town of Taos

Beginning and Ending Date of Agreement: February 2000 to termination of agreement

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

NOTE 16. Date of Management's Review

The Village of Questa has evaluated subsequent events through June 17, 2014, which is the date the financial statements were available to be issued.

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NOTE 17. Reconciliation of Budget Basis to GAAP Basis Financial Statements

	General Fund	Economic Development	WWTP	Local Road Project	
Revenues per Modified Accrual Basis	\$ 1,067,793	\$ -	\$ 13,501	\$ 156,972	
Prior Year Receivables	(274,438)	-	(3,610)	(105,685)	
Current Year Receivables	<u>95,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Revenues per Budgetary Basis	<u>\$ 888,942</u>	<u>\$ -</u>	<u>\$ 9,891</u>	<u>\$ 51,287</u>	
Expenditures per Modified Accrual Basis	\$ 1,058,324	\$ 130,888	\$ 95,424	\$ 156,972	
Prior Year Payables	115,311	53,430	-	-	
Current Year Payables	<u>(13)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Expenditures per Budgetary Basis	<u>\$ 1,173,622</u>	<u>\$ 184,318</u>	<u>\$ 95,424</u>	<u>\$ 156,972</u>	

	Joint Utility	Solid Waste	Environmental GRT	Fire Protection	LEPF
Revenues per Modified Accrual Basis	\$ 374,585	\$ 175,171	\$ 13,355	\$ 66,931	\$ 22,637
Prior Year Receivables	(99,372)	(52,299)	(3,010)	-	-
Current Year Receivables	<u>979</u>	<u>192</u>	<u>-</u>	<u>-</u>	<u>7,655</u>
Revenues per Budgetary Basis	<u>\$ 276,192</u>	<u>\$ 123,064</u>	<u>\$ 10,345</u>	<u>\$ 66,931</u>	<u>\$ 30,292</u>
Expenditures per Modified Accrual Basis	\$ 592,829	\$ 236,620	\$ 11,285	\$ 73,511	\$ 11,616
Prior Year Payables	7,479	14,502	-	1,415	53
Current Year Payables	<u>(616)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures per Budgetary Basis	<u>\$ 599,692</u>	<u>\$ 251,122</u>	<u>\$ 11,285</u>	<u>\$ 74,926</u>	<u>\$ 11,669</u>

	Oversight	Municipal Street	Library Grant	Homeland Security	EMS County
Revenues per Modified Accrual Basis	\$ 298,939	\$ 20,618	\$ 34,807	\$ 17,500	\$ 131,532
Prior Year Receivables	-	(3,839)	(3,762)	-	-
Current Year Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues per Budgetary Basis	<u>\$ 298,939</u>	<u>\$ 16,779</u>	<u>\$ 31,045</u>	<u>\$ 17,500</u>	<u>\$ 131,532</u>
Expenditures per Modified Accrual Basis	\$ 250,415	\$ 23,200	\$ 32,500	\$ -	\$ 76,503
Prior Year Payables	47,299	676	429	17,601	4,178
Current Year Payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures per Budgetary Basis	<u>\$ 297,714</u>	<u>\$ 23,876</u>	<u>\$ 32,929</u>	<u>\$ 17,601</u>	<u>\$ 80,681</u>

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NON-MAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO

VILLAGE OF QUESTA

FUND DESCRIPTIONS

LOCAL CORRECTIONS FUND – to establish an additional source of funds to municipalities to offset the costs of corrections. The source of the fund is a five dollar fee, which must be paid by all persons violating the law relating to the operations of a motor vehicle. Authority is NMSA 33-0-3.

ENVIRONMENTAL GROSS RECEIPTS TAX FUND – to account for the collection of one-eighth of one percent gross receipt tax dedicated for these acquisition, construction, operation, and maintenance of the solid waste facilities, water facilities, waste water facilities, or sewer systems. Authority NMSA Chapter 7, Article 20E.

EMS FIRE FUND– to account for grant revenues and expenditures for the purchase of medical supplies. Authority EMS Fund Act, DOH .24.4 NMAC.

EMS (EMERGENCY MEDICAL SERVICES) COUNTY FUND – to account for the acquisitions of the emergency medical equipment and the operation of the equipment financed through a grant from the State of New Mexico. Authority NMSA 24-10-A & 6-11-6.

BEAUTIFICATION FUND – to account for the proceeds of a State Appropriation for Economic Development planning purposes. Authority is granted in prior years by the State of New Mexico.

LAW ENFORCEMENT PROTECTION FUND – to account for grant funds used for maintenance and development of the Village’s police force. Financing is provided by a grant from the State of New Mexico. Such revenue provides for purchase and repairs of equipment as well as classes to update the training of police personnel and may be used only for these purposes. Authority is NMSA 29-13-1.

MUNICIPAL JUDGE FUND – to account for the collection of court fines and forfeitures. Authority is the NMSA Chapter 7, Article 20E.

MUNICIPAL STREET FUND – to account for various projects funded by co-operative agreements with New Mexico State Department of Transportation.

RECREATION FUND – to account for the operation and maintenance of recreational facilities in the Village. Financing is provided by a specific annual cigarette tax levy. Authority NMSA 7-12-1 & 7-12-15.

YOUTH FACILITY FUND – to account for the revenues and expenditures of the youth facilities activities of the Village. Authority is the Village Council Action.

LIBRARY FUND – is used to account for the operations and maintenance of the Village Library. Funding is provided by a state grant under Section 18-2-4B NMSA, 1978.

POLICE DEPARTMENT JUSTICE FUND– to account for grant funds used for maintenance and development of the Village’s police force. Financing is provided by a grant from the State of New Mexico. Such revenue provides for purchase and repairs of equipment as well as classes to update the training of police personnel and may be used only for these purposes. Authority NMSA 29-13-1.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
FUND DESCRIPTIONS**

VETERANS MEMORIAL FUND – to account for reserve monies related to the Veterans Memorial.

ECONOMIC DEVELOPMENT-BUSINESS PARK FUND – to account for reserve monies related to the Business Park.

MULTIPURPOSE BUILDING FUND – to account for reserve monies related to the Multipurpose Building.

CWPP FUND – to account for reserve monies related to CWPP.

CFRP FUND – to account for proceeds from the New Mexico Environment Department for improvements to water system in Questa. Authority is by Section 74-1-6B, NMSA, 1978.

SEWER REVENUE BOND FUND – to account for reserve monies related to Sewer System. The Fund is being used to maintain a reserve per the loan agreement.

HOMELAND SECURITY GRANT – to account for reserve monies related to Homeland Security Grant.

EPA GRANT FUND – to account for reserve monies related to EPA Grant.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>Local Corrections Fund</u>	<u>Environmental Gross Receipts Fund</u>	<u>EMS Fire Fund</u>	<u>Fire Protection Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 26,400	\$ 14,114	\$ 162	\$ 3,881
Accounts and Taxes Receivable	-	-	-	-
Due From Other Governments	-	-	-	-
TOTAL ASSETS	<u>\$ 26,400</u>	<u>\$ 14,114</u>	<u>\$ 162</u>	<u>\$ 3,881</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Restricted:				
Special Revenue Funds	26,400	14,114	162	3,881
Capital Projects Funds				-
Unassigned:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	<u>26,400</u>	<u>14,114</u>	<u>162</u>	<u>3,881</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 26,400</u>	<u>\$ 14,114</u>	<u>\$ 162</u>	<u>\$ 3,881</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
(continued)
JUNE 30, 2013**

	<u>Beautification Fund</u>	<u>Law Enforce- ment Protection Fund</u>	<u>Oversight Fund</u>	<u>Municipal Judge Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 5	\$ 13,453	\$ 10,366	\$ 7,161
Accounts and Taxes Receivable	-	-	-	178
Due From Other Governments	-	7,655	-	-
TOTAL ASSETS	<u>\$ 5</u>	<u>\$ 21,108</u>	<u>\$ 10,366</u>	<u>\$ 7,339</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Restricted:				
Special Revenue Funds	5	21,108	10,366	7,339
Capital Projects Funds	-	-	-	-
Unassigned:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	<u>5</u>	<u>21,108</u>	<u>10,366</u>	<u>7,339</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5</u>	<u>\$ 21,108</u>	<u>\$ 10,366</u>	<u>\$ 7,339</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
(continued)
JUNE 30, 2013**

	<u>Municipal Street Fund</u>	<u>Recreation Fund</u>	<u>Library Grant</u>	<u>CDBG Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 32,552	\$ 758	\$ 1,076	\$ 75
Accounts and Taxes Receivable	-	-	-	-
Due From Other Governments	-	-	-	-
TOTAL ASSETS	<u>\$ 32,552</u>	<u>\$ 758</u>	<u>\$ 1,076</u>	<u>\$ 75</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Restricted:				
Special Revenue Funds	32,552	758	1,076	75
Capital Projects Funds				-
Unassigned:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	<u>32,552</u>	<u>758</u>	<u>1,076</u>	<u>75</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 32,552</u>	<u>\$ 758</u>	<u>\$ 1,076</u>	<u>\$ 75</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
(continued)
JUNE 30, 2013**

	Youth Facility Fund	Questa Credit Union	Police Justice Fund	Water Rights Fund
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 10,713
Accounts and Taxes Receivable	-	-	-	-
Due From Other Governments	-	-	-	-
	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 10,713
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Restricted:				
Special Revenue Funds	-	-	-	10,713
Capital Projects Funds				
Unassigned:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
	-	-	-	-
TOTAL FUND BALANCE	-	-	-	10,713
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -	\$ 10,713

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
(continued)
JUNE 30, 2013**

	CWPP Fund	Homeland Security Grant	EMS County Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 8,956	\$ -	\$ 29,358	\$ 159,030
Accounts and Taxes Receivable	-	-	-	178
Due From Other Governments	-	-	-	7,655
	8,956	-	29,358	166,863
TOTAL ASSETS	\$ 8,956	\$ -	\$ 29,358	\$ 166,863
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Overdrawn Cash	\$ -	\$ 101	\$ -	\$ 101
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	-	-	-	-
Due to Other Funds	-	-	-	-
	-	101	-	101
TOTAL LIABILITIES	-	101	-	101
FUND BALANCE				
Restricted:				
Special Revenue Funds	8,956	(101)	29,358	166,762
Capital Projects Funds	-	-	-	-
Unassigned:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
	8,956	(101)	29,358	166,762
TOTAL FUND BALANCE	8,956	(101)	29,358	166,762
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,956	\$ -	\$ 29,358	\$ 166,863

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Local Corrections Fund</u>	<u>Environmental Gross Receipts Fund</u>	<u>EMS Fire Fund</u>	<u>Fire Protection Fund</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipt Taxes	-	13,355	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	7,655	60,431
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	6,160	-	-	-
Investment Income	-	-	3	-
Miscellaneous	-	-	-	6,500
TOTAL REVENUES	<u>6,160</u>	<u>13,355</u>	<u>7,658</u>	<u>66,931</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	11,285	7,496	73,511
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>11,285</u>	<u>7,496</u>	<u>73,511</u>
NET CHANGE IN FUND BALANCES	6,160	2,070	162	(6,580)
FUND BALANCE, BEGINNING OF YEAR	<u>20,240</u>	<u>12,044</u>	<u>-</u>	<u>10,461</u>
FUND BALANCE, END OF YEAR	<u>\$ 26,400</u>	<u>\$ 14,114</u>	<u>\$ 162</u>	<u>\$ 3,881</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Beautification Fund</u>	<u>Law Enforce- ment Protection Fund</u>	<u>Oversight Fund</u>	<u>Municipal Judge Fund</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipt Taxes	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	20,600	298,939	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	29,346
Investment Income	-	261	-	-
Miscellaneous	-	1,776	-	-
TOTAL REVENUES	-	22,637	298,939	29,346
EXPENDITURES				
Current				
General Government	-	-	250,415	-
Public Safety	-	7,668	-	26,175
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	3,948	-	-
TOTAL EXPENDITURES	-	11,616	250,415	26,175
NET CHANGE IN FUND BALANCES	-	11,021	48,524	3,171
FUND BALANCE, BEGINNING OF YEAR	5	10,087	(38,158)	4,168
FUND BALANCE, END OF YEAR	<u>\$ 5</u>	<u>\$ 21,108</u>	<u>\$ 10,366</u>	<u>\$ 7,339</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

	Municipal Street Fund	Recreation Fund	Library Grant	CDBG Fund
REVENUES				
Property Taxes	\$ -	\$ -	\$ 14,000	\$ -
Gross Receipt Taxes	-	-	-	-
Public Service Taxes	20,618	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	9,449	75
Local Sources	-	-	4,000	-
Charges for Services	-	150	-	-
Licenses and Fees	-	100	-	-
Investment Income	-	-	6,630	-
Miscellaneous	-	-	728	-
TOTAL REVENUES	20,618	250	34,807	75
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	23,200	-	-	-
Culture and Recreation	-	-	32,500	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	23,200	-	32,500	-
NET CHANGE IN FUND BALANCES	(2,582)	250	2,307	75
FUND BALANCE, BEGINNING OF YEAR	35,134	508	(1,231)	-
FUND BALANCE, END OF YEAR	<u>\$ 32,552</u>	<u>\$ 758</u>	<u>\$ 1,076</u>	<u>\$ 75</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Youth Facility Fund</u>	<u>Questa Credit Union</u>	<u>Police Justice Fund</u>	<u>Water Rights Fund</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipt Taxes	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	3,000
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	3,000
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	(7,713)
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	(7,713)
NET CHANGE IN FUND BALANCES	-	-	-	10,713
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,713</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>CWPP Fund</u>	<u>Homeland Security Grant</u>	<u>EMS Ambulance County Fund</u>	<u>Total</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ 23,328	\$ 37,328
Gross Receipt Taxes	-	-	-	13,355
Public Service Taxes	-	-	-	20,618
Franchise Taxes	-	-	-	-
Federal Sources	-	17,500	-	17,500
State Sources	-	-	70,000	467,149
Local Sources	-	-	-	4,000
Charges for Services	-	-	-	3,150
Licenses and Fees	-	-	29,754	65,360
Investment Income	-	-	-	6,894
Miscellaneous	-	-	8,450	17,454
TOTAL REVENUES	-	17,500	131,532	652,808
EXPENDITURES				
Current				
General Government	-	-	-	250,415
Public Safety	-	-	76,503	202,638
Public Works	-	-	-	15,487
Culture and Recreation	-	-	-	32,500
Capital Outlay	-	-	-	3,948
TOTAL EXPENDITURES	-	-	76,503	504,988
NET CHANGE IN FUND BALANCES	-	17,500	55,029	147,820
FUND BALANCE, BEGINNING OF YEAR	8,956	(17,601)	(25,671)	18,942
FUND BALANCE, END OF YEAR	<u>\$ 8,956</u>	<u>\$ (101)</u>	<u>\$ 29,358</u>	<u>\$ 166,762</u>

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – LOCAL CORRECTIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	2,000	2,000	6,160	4,160
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>6,160</u>	<u>4,160</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	2,000	2,000	-	2,000
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	6,160	2,160
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 6,160</u>	<u>\$ 2,160</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – ENVIRONMENTAL GROSS RECEIPTS TAX
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	9,000	9,000	10,345	1,345
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>9,000</u>	<u>9,000</u>	<u>10,345</u>	<u>1,345</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	9,000	9,000	11,285	(2,285)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>9,000</u>	<u>9,000</u>	<u>11,285</u>	<u>(2,285)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(940)	3,630
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ (940)</u>	<u>\$ 3,630</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – EMS FIRE
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	7,655	7,655	7,655	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	3	3
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>7,655</u>	<u>7,655</u>	<u>7,658</u>	<u>3</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	7,655	7,655	7,496	159
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>7,655</u>	<u>7,655</u>	<u>7,496</u>	<u>159</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	162	(156)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 162</u>	<u>\$ (156)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – FIRE PROTECTION FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	60,431	60,431	60,431	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	6,500	6,500	6,500	-
TOTAL REVENUES	<u>66,931</u>	<u>66,931</u>	<u>66,931</u>	-
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	66,931	66,931	74,926	(7,995)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>66,931</u>	<u>66,931</u>	<u>74,926</u>	<u>(7,995)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(7,995)	7,995
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ (7,995)</u>	<u>\$ 7,995</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – BEAUTIFICATION
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Increase (Decrease)	-	-	\$ -	\$ -
Prior Year Cash Balance Budgeted	\$ -	\$ -		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – LAW ENFORCEMENT PROTECTION FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	20,600	20,600	28,255	7,655
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	261	261
Miscellaneous	-	-	1,776	1,776
TOTAL REVENUES	<u>20,600</u>	<u>20,600</u>	<u>30,292</u>	<u>9,692</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	20,600	20,600	16,652	3,948
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	3,948	(3,948)
TOTAL EXPENDITURES	<u>20,600</u>	<u>20,600</u>	<u>20,600</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	9,692	9,692
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 9,692</u>	<u>\$ 9,692</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – OVERSIGHT FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	496,400	496,400	298,939	(197,461)
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>496,400</u>	<u>496,400</u>	<u>298,939</u>	<u>(197,461)</u>
EXPENDITURES				
Current				
General Government	496,400	496,400	297,714	198,686
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>496,400</u>	<u>496,400</u>	<u>297,714</u>	<u>198,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,225	(396,147)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 1,225</u>	<u>\$ (396,147)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – MUNICIPAL JUDGE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	20,701	20,701	29,346	8,645
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>20,701</u>	<u>20,701</u>	<u>29,346</u>	<u>8,645</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	20,701	20,701	26,175	(5,474)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>20,701</u>	<u>20,701</u>	<u>26,175</u>	<u>(5,474)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3,171	14,119
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 3,171</u>	<u>\$ 14,119</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – MUNICIPAL STREETS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	25,000	25,000	16,779	(8,221)
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	200	200	-	(200)
TOTAL REVENUES	<u>25,200</u>	<u>25,200</u>	<u>16,779</u>	<u>(8,421)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	25,200	25,200	23,876	1,324
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>25,200</u>	<u>25,200</u>	<u>23,876</u>	<u>1,324</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(7,097)	(9,745)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ (7,097)</u>	<u>\$ (9,745)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	650	650	150	(500)
Licenses and Fees	-	-	100	100
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>650</u>	<u>650</u>	<u>250</u>	<u>(400)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	650	650	-	650
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>650</u>	<u>650</u>	<u>-</u>	<u>650</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	250	(1,050)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 250</u>	<u>\$ (1,050)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – LIBRARY GRANT
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ 10,238	\$ 10,238
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	31,900	31,900	9,449	(22,451)
Local Sources	-	-	4,000	4,000
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	6,630	6,630
Miscellaneous	-	-	728	728
TOTAL REVENUES	<u>31,900</u>	<u>31,900</u>	<u>31,045</u>	<u>(855)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	31,900	31,900	32,929	(1,029)
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>31,900</u>	<u>31,900</u>	<u>32,929</u>	<u>(1,029)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(1,884)	174
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ (1,884)</u>	<u>\$ 174</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
CDBG CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	75	75
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	75	75
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	75	75
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Increase (Decrease)	-	-	<u>\$ 75</u>	<u>\$ 75</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
WATER RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	5,050	5,050	3,000	(2,050)
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>5,050</u>	<u>5,050</u>	<u>3,000</u>	<u>(2,050)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	5,050	5,050	(7,713)	12,763
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>5,050</u>	<u>5,050</u>	<u>(7,713)</u>	<u>12,763</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	10,713	(14,813)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 10,713</u>	<u>\$ (14,813)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	184,318	(184,318)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>184,318</u>	<u>(184,318)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(184,318)	184,318
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ (184,318)</u>	<u>\$ 184,318</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
WATER SYSTEM IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	54,235	54,235
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>54,235</u>	<u>54,235</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	21,831	(21,831)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>21,831</u>	<u>(21,831)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	32,404	76,066
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	-	-	<u>\$ 32,404</u>	<u>\$ 76,066</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
WWTP IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	7,500	7,500	9,891	2,391
Local Sources	-	-	-	-
Charges for Services	125,000	125,000	-	(125,000)
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>132,500</u>	<u>132,500</u>	<u>9,891</u>	<u>(122,609)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	145,508	145,508	95,424	50,084
TOTAL EXPENDITURES	<u>145,508</u>	<u>145,508</u>	<u>95,424</u>	<u>50,084</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,008)	(13,008)	(85,533)	(172,693)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	(13,008)	(13,008)	<u>\$ (85,533)</u>	<u>\$ (172,693)</u>
Prior Year Cash Balance Budgeted	<u>\$ 13,008</u>	<u>\$ 13,008</u>		

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**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
AIRPORT IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	150,000	150,000	99,074	(50,926)
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>150,000</u>	<u>150,000</u>	<u>99,074</u>	<u>(50,926)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	185,252	185,252	109,908	75,344
Culture and Recreation	-	-	-	-
Capital Outlay	<u>150,000</u>	<u>150,000</u>	<u>17,102</u>	<u>132,898</u>
TOTAL EXPENDITURES	<u>335,252</u>	<u>335,252</u>	<u>127,010</u>	<u>208,242</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,252)	(185,252)	(27,936)	(259,168)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	(185,252)	(185,252)	<u>\$ (27,936)</u>	<u>\$ (259,168)</u>
Prior Year Cash Balance Budgeted	<u>\$ 185,252</u>	<u>\$ 185,252</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
CWPP CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Increase (Decrease)	-	-	\$ -	\$ -
Prior Year Cash Balance Budgeted	\$ -	\$ -		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
LOCAL ROADS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	629,200	629,200	51,287	(577,913)
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>629,200</u>	<u>629,200</u>	<u>51,287</u>	<u>(577,913)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	156,972	(156,972)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>156,972</u>	<u>(156,972)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	629,200	629,200	(105,685)	(420,941)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	629,200	629,200	<u>\$ (105,685)</u>	<u>\$ (420,941)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
HOMELAND SECURITY GRANT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	179,500	179,500	17,500	(162,000)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>179,500</u>	<u>179,500</u>	<u>17,500</u>	<u>(162,000)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	17,601	(17,601)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>17,601</u>	<u>(17,601)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>179,500</u>	<u>179,500</u>	<u>(101)</u>	<u>(144,399)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	<u>179,500</u>	<u>179,500</u>	<u>\$ (101)</u>	<u>\$ (144,399)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SPECIAL REVENUE FUND – EMS COUNTY
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Property Taxes	\$ -	\$ -	\$ 23,328	\$ 23,328
Gross Receipts	-	-	-	-
Public Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Federal Sources	-	-	-	-
State Sources	-	-	70,000	70,000
Local Sources	-	-	-	-
Charges for Services	124,000	124,000	-	(124,000)
Licenses and Fees	-	-	29,754	29,754
Investment Income	-	-	-	-
Miscellaneous	28,100	28,100	8,450	(19,650)
TOTAL REVENUES	<u>152,100</u>	<u>152,100</u>	<u>131,532</u>	<u>(20,568)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	150,504	150,504	69,823	80,681
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>150,504</u>	<u>150,504</u>	<u>69,823</u>	<u>80,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,596	1,596	61,709	(101,249)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	1,596	1,596	<u>\$ 61,709</u>	<u>\$ (101,249)</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
JOINT UTILITIES PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES				
Charges for Services	\$ 779,800	\$ 779,800	\$ 276,192	\$ (503,608)
Interest Income	-	-	-	-
Miscellaneous	<u>813,497</u>	<u>813,497</u>	<u>-</u>	<u>(813,497)</u>
TOTAL REVENUES	<u>1,593,297</u>	<u>1,593,297</u>	<u>276,192</u>	<u>(1,317,105)</u>
EXPENDITURES				
Current				
Personal Services	-	-	506,147	(506,147)
Contractual Services	-	-	5,629	(5,629)
Supplies and Purchased Power	1,018,822	1,018,822	43,859	974,963
Maintenance and Materials	-	-	36,126	(36,126)
Heat, Light and Power	-	-	7,931	(7,931)
Bond Interest	1,825	1,825	-	1,825
Bond Principle	6,825	6,825	-	6,825
Infrastructure	<u>1,187,472</u>	<u>1,187,472</u>	<u>-</u>	<u>1,187,472</u>
TOTAL EXPENDITURES	<u>2,214,944</u>	<u>2,214,944</u>	<u>599,692</u>	<u>1,615,252</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(621,647)</u>	<u>(621,647)</u>	<u>(323,500)</u>	<u>(2,932,357)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease)	<u>(621,647)</u>	<u>(621,647)</u>	<u>\$ (323,500)</u>	<u>\$ (2,932,357)</u>
Prior Year Cash Balance Budgeted	<u>\$ 621,647</u>	<u>\$ 621,647</u>		

See Independent Auditors' Report

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET (NON-GAAP
BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –
SOLID WASTE PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ -	\$ -	\$ 123,064	\$ 123,064
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	123,064	123,064
EXPENDITURES				
Current				
Personal Services	-	-	21,567	(21,567)
Contractual Services	-	-	226,471	(226,471)
Supplies and Purchased Power	-	-	-	-
Maintenance and Materials	-	-	2,700	(2,700)
Heat, Light and Power	-	-	384	(384)
TOTAL EXPENDITURES	-	-	251,122	(251,122)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(128,058)	374,186
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Increase (Decrease)	-	-	<u>\$ (128,058)</u>	<u>\$ 374,186</u>
Prior Year Cash Balance Budgeted	<u>\$ -</u>	<u>\$ -</u>		

SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2013**

Name of Depository	Type of Security	CUSIP #	Fair Market Value, June 30, 2013	Par Value, June 30, 2013	Maturity Date	Name and Location of Custodian
Centinel Bank	Clovis NM SCH - Bond	189414JA4	\$ 250,000	\$ 250,000	8/1/2024	TIB

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2013**

Bank Account Type / Name	Centinel Bank	U.S. Bank	People's Bank of Red River	Total
Savings - General	\$ 507,464	\$ -	\$ -	\$ 507,464
Checking - General				-
Checking: Water, Sewer, Solid Waste	54,199			54,199
Checking: Motor Vehicle Division	33			33
Checking - Payroll Account	19,477			19,477
Checking - Municipal Court	5,336			5,336
Checking - Water Rights	10,563			10,563
Checking - Oversight Accounts	15,507			15,507
Checking - Sewer System Reserve	9,079			9,079
Checking - EMS Fire Fund			516	516
Checking - EMS Fire Account	30,516			30,516
Checking - Fire Protection Fund		4,878		4,878
Checking - Law Enforcement Protection		16,515		16,515
Certificate of Deposit		15,000		15,000
Checking - CDBG Account	-	-	84	84
Total on Deposit	652,174	36,393	600	689,167
Reconciling Items	(181,267)	(4,199)	(295)	(185,761)
Reconciled Balance, June 30, 2013	<u>\$ 470,907</u>	<u>\$ 32,194</u>	<u>\$ 305</u>	<u>\$ 503,406</u>
Total Cash and Cash Equivalentents at June 30, 2013				<u>\$ 503,406</u>

FIDUCIARY FUNDS

STATE OF NEW MEXICO
VILLAGE OF QUESTA
AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2013

	<u>Balance June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
<u>ASSETS</u>				
Cash	\$ <u> -</u>	\$ <u> 33</u>	\$ <u> -</u>	\$ <u> 33</u>
<u>LIABILITIES</u>				
Deposits Held in Trust for Others	\$ <u> -</u>	\$ <u> 33</u>	\$ <u> -</u>	\$ <u> 33</u>

COMPLIANCE SECTION

Kubiak & Melton, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico
and

To the Honorable Mayor and the Village Council
Village of Questa
Questa, New Mexico

We have been 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, the aggregate remaining fund information, the budgetary comparisons of the general fund, the major special revenue funds and the major capital projects funds of the State of New Mexico, Village of Questa (Village), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information and have issued our report dated June 17, 2014. We did not express an opinion on the financial statements because of inadequacy of accounting records. Except as discussed in the previous sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village'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. [FS 2009-01, FS 2011-07, FS 2011-08, FS 2011-21, FS 2012-04]

A significant deficiency is a deficiency, or 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 accompany *schedule of findings and responses* to be significant deficiencies. [FS 2009-03, FS 2010-08, FS 2010-01, FS 2010-04, FS 2010-05, FS 2010-07, FS 2011-03, FS 2012-01, FS 2012-02, FS 2012-03]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items: [FS 2009-01, FS 2009-03, FS 2010-08, FS 2010-01, FS 2010-04, FS 2011-03, FS 2011-07, FS 2012-02, FS 2012-03]

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we do not express an 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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kubiak & Melton, LLC

Kubiak & Melton, LLC
Albuquerque, New Mexico
June 17, 2014

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

1. FINANCIAL STATEMENT FINDINGS

FS-2009-01 - Material Weakness & Non-Compliance - Excess Expenditures Over Budget

Condition:

During our audit testing of budgeted and actual expenditures, we noted budget overspending in 15 funds as describe in Note 9 to the financial statements. The total amounted to \$1,503,213.

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 states that actual expenditures cannot exceed approved budgeted amounts.

Effect:

The Village is not in compliance with State Statutes and DFA regulations related to budgetary process and could potentially process over expenditures for funds. Non-compliance with New Mexico state statutes could subject the Village to ramifications as defined by state statutes.

Cause:

Although the Village Council appears to have approved the final budget resolution, it was not sufficient to mitigate excess expenditures over budget for several funds.

Auditors' recommendation:

It is our recommendation that the Village implement controls to monitor spending in conjunction with approved budgets and that they ensure proper adherence to the laws and regulations of the State of New Mexico to mitigate overexpenditures of budgeted amounts.

Management's Response:

We have implemented a Budget Adjustment Request procedure and will assure that we are only spending within our budget. The Council has asked that we increase the frequency of the budget adjustments which is currently every 6 months, to do them quarterly. This was asked at the January 8, 2013 Council meeting and will be implemented from that date on. We have approved and paid claims in excess of the budgeted line item; however, we have never exceeded the entire budget for any one department.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2009-03 and FS-2010-08 - Significant Deficiency & Non-Compliance - Per Diem & Mileage Act - State Auditor Compliance

Condition:

Based on our inability to obtain sufficient appropriate audit evidence due to inadequate accounting records, we could not conclude that the Village is in compliance with the Per Diem and Mileage Act. Because of this condition, we are unable to estimate the number of instances, if any and the dollar amounts associated with potential non-compliance.

Criteria:

Each Village shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and Department of Finance and Administration (DFA) regulations. Internal control structure is required to demonstrate the Village's ability to record, process, and report financial statement assertions of existence and occurrence.

Effect:

Unauthorized travel and per diem expenditures may be processed and paid without proper approval and rate calculation. Non-compliance with statutes may subject the Village to ramifications as defined by state statutes. Travel and per diem could be paid incorrectly or unallowed purchases may be made.

Cause:

The Finance Director does not have the authority to hold employees accountable for the travel vouchers. Any attempt is often met with management override.

Auditors' Recommendation:

It is our recommendation that the Village grant the Finance Director the authority, without management override, to review and approve and reject expenditures that do not meet the Per Diem and Mileage Act.

Management's Response:

The acting finance director has been given full authority, without management override, to reject all expenditures for travel that do not meet travel and per diem rules and regulations. We are currently working on a written policy and procedure to submit and approve per diem and mileage expenditures.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2010-01 – Significant Deficiency & Non-Compliance - Contracts

Condition:

The Village is party to a lease in which they are not receiving anything in return for the lease of a building.

Criteria:

Government Agencies are required to renew contracts annually. The Anti-donation clause section 14 state that “Neither the state nor any county, school district or municipality, except otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise”.

Effect:

The Village is not in compliance with the State’s anti-donation clause.

Cause:

The Village feels that its elderly constituents are benefiting by this organization being in Questa so they agreed to provide a building for operation at no cost.

Auditors’ Recommendation:

It is our recommendation that the Village amend the lease to include some consideration for the building so as not to violate the anti-donation clause.

Management’s Response:

The Village has reviewed this finding and has determined that its lease agreements do not violate the Anti-Donation clause. The entities which the Village has entered into leases with provide a service that the Village would otherwise be required to provide if not for the entity doing so. As such, there is no violation because the benefit provided to the Village as well as its residents exceeds the value of rent for the premises. However, the Village will add a provision to the lease making it clear that the benefit received exceeds the benefit bestowed upon the entity.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2010-04 - Significant Deficiency & Non-Compliance - Bank Reconciliations

Condition:

During our audit procedures relating to cash and bank reconciliations, we noted that bank reconciliations were untimely or not done at all in four instances. When bank reconciliations were done, they did reconcile to a "register balance" but did not reconcile to the general ledger. In addition, for many bank accounts, there was no discernible relationship between the bank statements and reconciliations and the general ledger cash accounts that they represent.

Criteria:

Bank reconciliations are an important element of internal control, facilitating timely detection of book/bank differences so they can be investigated and resolved. Such reconciliations are consistent with New Mexico statutes, Section 6-6-3 A NMSA 1978, which require that the Village "keep all the books, records, and accounts in their respective offices in a form as prescribed by the Local Government Division." The Local Government Division of the Department of Finance and Administration has, pursuant to this statute, published the Budgeting and Accounting Manual and other guidance for New Mexico municipalities to follow. Good accounting practice and general accepted accounting practices require the bank account to be reconciled monthly to the general ledger 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.

Effect:

Bank reconciliations and general ledger balances may be incomplete or erroneous. In addition, asset misappropriation may go undetected.

Cause:

The lack of bank reconciliations or timely reconciliations of cash to the general ledger, and not recording checks until they clear the bank, caused the delay in bank reconciliation.

Auditors' Recommendation:

It is our recommendation that the Village should establish and implement procedures to ensure general ledger cash balances are regularly reconciled to corresponding bank balances. Any unreconciled differences identified through this process should be investigated and resolved on a timely basis. We recommend that a supervisor review and approve all bank reconciliations. Staffing levels should be increased to ensure that bank reconciliations are performed in a timely manner and that adjustments are posted accurately and efficiently.

Management's Response:

Due to turnover in accounting staff, completing bank reconciliations timely has proved difficult. Currently, we are working to implement a process to where all bank reconciliations are done timely and reviewed and approved. We think that staffing levels and consistency will allow us to correct this finding and avoid it as a repeat finding into the future.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2010-05 - Significant Deficiency - Utilities Ordinance

Condition:

The Village's has been manually reading meters that are not able to be read by the hand held electronic reading device. Also, the Village is not rounding water usage to the nearest 1000 gallons when preparing the utility bill. They system rounds to the nearest 100. The combination of these deficiencies results in a loss of revenue for the Village.

Criteria:

Per the Village Ordinance, water should be billed by rounding water usage to the nearest 1000 gallons of use. The Ordinance also states that the Village does not prorate water usage. The Village should manually read all meters that are not read with the electronic hand held device. The Village should review rate tables every year to insure that they are correct.

Effect:

The Village is not in compliance with their own Ordinance billing procedures, the program rounds to the nearest 100 gallons when the ordinance says to round to the nearest 1000 gallons when calculating the bill.

Cause:

The Village has not corrected their billing program to round to the nearest 1000 gallons as is written in the Village Ordinance.

Auditors' Recommendation:

It is our recommendation that the Village should complete its implementation of the meter system as soon as possible, so that manual reads will only occur with a re-read. This will help to expedite the billing procedure. The Village should contact the software manufacturer to verify that the software is billing in accordance with the Village Ordinance #2006-128. In addition, the Village should implement internal controls to verify that the utility rates are properly input into the billing system and implement a monitoring system to ensure that the Village is capturing and billing all accounts.

Management's Response:

We continue to replace old meters with new ones. We are currently replacing outdated meters with new state of the art meters, which can be read with hand held devices. We have also corrected the manner in which items are being placed into the computer system and the readings are now rounding to the nearest 1,000 gallons as written in the Village Ordinance. This was accomplished by a correction involving Caselle our financial software company provider.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2010-07 – Significant Deficiency - Payroll

Condition:

The Village does not have adequate internal controls over recording payroll into their general ledger. Based on our inability to obtain sufficient appropriate audit evidence, we could not conclude that the Village's internal controls over payroll reporting is effectively operating.

Criteria:

NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

Segregation of duties in payroll, the existence of an appropriate pay rate schedule, a review of employee timesheets, a review of payroll reports, and proper authorization and approval for wages, are required to be maintained in order to have proper and sufficient internal controls to reduce the risk of fraudulent activities. Management should establish and implement sound internal control procedures to maintain personnel records on a periodic basis.

Effect:

Without segregation of duties or review before submission, it would be possible for time, wage rates or benefits to be paid or not paid correctly. Not paying employees the correct salary based upon supporting documentation is a failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

Cause:

The cause could be limited personnel to complete the payroll duties. The Village's document retention and payroll policies were not adequately enforced.

Auditors' Recommendation:

It is our recommendation that the Village's management should follow its internal controls over payroll that are in place and perform periodic reviews of the supporting documentation to ensure that they are operating effectively. We recommended that any payroll changes be reviewed before submission to ensure that changes have been recorded correctly.

Management's Response:

All employees are/were required to come in to the administrative office and sign that they had read and reviewed all policies and procedures, drug free policy and job description. Additionally, human resources is required to conduct reference and a background checks on every employee. We are working diligently to remedy these issues so they do not occur again.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2011-03 - Significant Deficiency & Non-Compliance - Open Meeting Act with Regards to Minutes

Condition:

While reviewing the Council Minutes for the Village of Questa, we noted that a draft of the minutes from each Council Meeting was not completed within 10 working days nor were the minutes approved, amended or disapproved at the next meeting where a quorum is present. Approvals of minutes were not included as a separate agenda item in most of the minutes.

Criteria:

The State of New Mexico's Open Meetings Act, NMSA 1978, Chapter 10, Article 15 states "The board, commission or other policymaking body shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and to record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the policy-making body." Approval of the past minutes should always appear as an agenda item for all regular meeting.

Effect:

The Village violated the State of New Mexico's Open Meeting Act, NMSA 1978, Chapter 10, Article 15 with regard to the minutes. The Village's Council minutes are not readily available for public inspection. This could potentially be construed as though the Village's Council is not being fully transparent to the public.

Cause:

It appears that turnover of personnel throughout the year may have contributed to the delay in preparation of the minutes. It is unknown as to why the prepared minutes were not acted upon in the next meeting where a quorum was present.

Auditors' Recommendation:

It is our recommendation that the Clerk review the Open Meetings Act for understanding and that the minutes are prepared in accordance with the requirements of the act.

Management's Response:

All minutes have been approved by the Governing Body and we strive to complete a draft of all minutes within the 10 day statute requirement. With limited staff sometimes this proves to be difficult; however this is more of an exception than the rule. We have created a website for the Village and all approved minutes will soon be available on the website for public inspection.

Approvals of minutes are always listed as a separate agenda item, which can be verified by inspecting the approved minutes of each council meeting.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2011-07 - Material Weakness & Non-Compliance - Procurement Code

Condition:

The condition of the records at the Village did not permit us to test the State Procurement Act. There was no evidence to support that written quotes were obtained to determine the best price for contractual services. The agency was unable to locate evidence of bids for various services. There was no bids documents on file at the Village nor was there any evaluations documented of the bid process.

Criteria:

The State Procurement Code, Section 13-1-1 to 13-1-199 NMSA 1978, and the State Purchasing Regulations 1.4.1 NMAC contain various requirements for the expenditure of public monies. Proper documentation of commercial considerations in awarding bids and contracts should be available for the auditor and the public to inspect.

Effect:

Substantial amounts of money appear to be being expended by the Village of Questa without the proper compliance with the procurement laws and regulations. This could affect the Village's ability to collect grant monies and awards in the future.

Cause:

The person or persons responsible for the Village's procurement did not know nor did they understand the State statutes.

Auditors' Recommendation:

It is our recommendation that the Village train employees and contractors on the state procurement law and regulation. We further recommend that people responsible for those laws be granted the authority to make sure the Village complies with the statutes and regulations.

Management's Response:

We make every attempt to make sure that Village policy and the State Procurement Code is adhered to. We will continue to train our employees as to the importance of following these and all policies and codes. Additionally, training and the Village's Procurement Policy and Procedures have been provided to each employee tasked with direct responsibility for purchases. Also, these Village employees have and will receive further training on the Village Policy and the State Procurement Code.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2011-08 - Material Weakness - Capital Asset Depreciation Schedule

Condition:

The Village of Questa did not maintain their depreciation schedule detailing all of the capital assets and the related depreciation expense of the Village. The Village did not post the entries for current year depreciation.

Criteria:

A depreciation schedule with corresponding depreciation expense accrual is required by Generally Accepted Accounting Principles. In addition, control over the Village's capital assets is exercised through the maintenance of a detail capital asset schedule.

Effect:

The financial statements of the Village do not appear to reflect the annual depreciation expense and the balance sheet does not appear to reflect an accurate capital asset costs and related accumulated depreciation amounts.

Cause:

The Village contracted with a fee accountant to help them on the schedule which is incomplete as of the audit date.

Auditors' Recommendation:

It is our recommendation that the Village update the depreciation schedule the Village does have to reflect all current capital assets and accumulated depreciation. In addition, we recommend that the Village implement procedures to maintain the schedules as the Village moves forward.

Management's Response:

The Village has created a database/Asset Inventory of all Village assets of \$5,000 and greater and will continue to add, upgrade, delete, and depreciate the assets accordingly. The Village has also implemented formal procedures (forms) to account for all assets procured, transferred between departments and disposed of. The Village is also in the process of automating this database to work with a barcode system and scanner to account for all assets of the Village to include those assets below \$5,000 in value.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2011-21 - Material Weakness - Reconciliation of General Ledger

Condition:

Due to the inability to obtain sufficient appropriate audit evidence, we were unable to reconcile Form 941, Employer's Quarterly Federal Tax Return to the general Ledger. There has been no known instances of the Village owing back pay or penalty fees to IRS.

Criteria:

Payroll procedures should exist to ensure that payroll is prepared correctly and is reconciled to the General ledger for completeness.

Effect:

Payroll reports do not agree to the general ledger.

Cause:

The reports provided by the payroll company are sent to the payroll clerk but the journal entry for payroll is a downloaded entry from the payroll company. The reports are not reconciled to the journal entry to ensure completeness.

Auditors' Recommendation:

It is our recommendation that the payroll reports be reconciled to the general ledger after each payroll to ensure proper recording and completeness.

Management's Response:

We have corrected this and will continue to reconcile our payroll account to the general ledger timely. Any unreconciled differences will be investigated and cleared on a timely basis.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2012-01 - Significant Deficiency - Segregation of Duties

Condition:

As part of our documentation of the internal controls we noted certain functions that were performed by the same person. The Finance Director and the Clerk are check signers for Centinel bank and also handle the accounting side. Finance Director enters invoices in QuickBooks, prepares checks, and reconciles bank statements.

Criteria:

Segregation of duties is pertinent to safeguard an Village's assets.

Effect:

The lack of segregation of duties increases the risk of asset misappropriation. Also, the same person performing incompatible functions increases this risk as well.

Cause:

The Village has limited financial recourses and at time is incapable to support such control measures.

Auditors' Recommendation:

It is our recommendation that the Village should implement a process that allows for an oversight of the functions by someone other than the person directly responsible.

Management's Response:

Due to the small number of available employees, we are forced to have those two employees serve as the custodians of the receivables and the payables. We do have alternate signers which are elected officials and use them when available. In addition, the Administrator verifies and initials all payables, and invoices, prior to a check being processed. We are diligently working on implementing segregation of duties with our given staffing levels that would mitigate the risk with relation to the accounting for the Village.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2012-02 - Significant Deficiency & Non-Compliance - Stale Dated Transactions not Cancelled

Condition:

The Village has not complied with state statutes regarding stale-dated checks. The Village maintained various checks in the various bank accounts that were dated over one year old at June 30, 2013.

Criteria:

Chapter 7 Article 8A, NMSA 1978, and related regulations require that the Village provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Effect:

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Cause:

The Village did not implement an internal control policy to account for stale dated outstanding checks and did not clear these checks on a timely basis.

Auditors' Recommendation:

It is our recommendation that the Village implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided. Also, we recommend that the Village provide the information to the Property Division of the New Mexico Taxation and Revenue Department as required.

Management's Response:

The Village doesn't currently possess any stale dated checks and makes every effort to deposit all checks within two weeks of receipt. We are working to more closely track outstanding checks that are not drawn against our account timely so we can either inform the payee or submit the amounts per State Statute.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2012-03 - Significant Deficiency & Non-Compliance - Late Submission of Audit Report

Condition:

The fiscal year 2013 annual financial report for the Village was not submitted to the New Mexico Office of the State Auditor by the December 1, 2013 submission deadline.

Criteria:

The Village of Questa is required to submit its audit report for the year ended June 30, 2013 on or before December 1, 2013 subsequent to the entity's fiscal year end in accordance with the New Mexico Office of the State Auditor Audit Rule 2013 Section 2.2.2.9A(1) of NMAC.

Effect:

The audit report has not been issued in compliance with 2.2.2.9 NMAC. The users of the financial statements such as taxpayers, legislators, state and federal grantors do not have timely audit reports and financial statements for their review.

Cause:

The Village's accounting records were not ready for audit. Additional time was needed by the auditor due to the condition of the accounting records of the Village.

Auditors' Recommendation:

It is our recommendation that proper accounting control must be established and implemented where the Village is able to produce financial information for the auditor that has been properly reconciled. We also recommend the Village accounting staff receive additional training regarding accounting requirements for governmental agencies. Additionally, the Village should invest in accounting software capable of producing reliable financial data for governmental financial Reporting.

Management's Response:

The Village of Questa is striving to obtain adequate accounting personnel to properly close out month end, and year end, financial statements in order to get the audit completed timely. This is ongoing high priority for the Village.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

FS-2012-04 - Material Weakness - Lack of Internal Controls Over Expenditures

Condition:

Due to the inability to obtain sufficient appropriate audit evidence, we could not conclude that the Village's internal controls over expenditures were operating correctly to prevent or detect misstatements. Because of this condition, we are unable to estimate the number of instances, if any and the dollar amounts associated with potential non-compliance.

Criteria:

Section 13-1-28 to 13-1-199, NMSA 1978 states that expenditures should be properly authorized, processed and recorded and should have adequate supporting documentation for the disbursement.

Effect:

The Village appears to have violated the procurement code and thus could potentially make payment without proper documentation or authorization.

Cause:

The state procurement code and the Village's procurement policy are not being followed.

Auditors' Recommendation:

It is our recommendation that the Village comply with their Policy and the State Procurement code.

Management's Response:

We are using purchase orders for most purchases now and have implemented our policy that requires the attempt to get 3 written quotes for items over \$1,000 up to \$5,000 and attaching that to a requisition for a purchase order. That is then reviewed and signed off by the Administrator and the Finance Officer. Once the invoice is received after goods and services have been obtained, the payment request is verified by the Administrator prior to the check being written. In addition, the check is then reviewed prior to it being distributed to the vendor by the Administrator. A list of all transactions is sent to the Council at each meeting and they often ask numerous questions on all vouchers.

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

B. STATUS OF PRIOR YEAR AUDIT FINDINGS

- FS-2009-01 Excess Expenditures over Budget (Repeated and Revised)
- FS-2009-03 and FS-2010-08 Per Diem & Mileage Act (Repeated and Revised)
- FS-2010-01 Contracts (Repeated and Revised)
- FS-2010-04 Bank Reconciliations (Repeated and Revised)
- FS-2010-05 Utilities Ordinance (Repeated and Revised)
- FS-2010-07 Payroll (Repeated and Revised)
- FS-2011-02 SAS 115 Preparation and Responsibility for Financial Statements
(Resolved)
- FS-2011-03 Open Meeting Act with regards to Minutes (Repeated and Revised)
- FS-2011-07 Procurement Code (Repeated and Revised)
- FS-2011-08 Capital Asset Depreciation Schedule (Repeated and Revised)
- FS-2011-13 Compensatory time in excess (Resolved)
- FS-2011-18 Proper Delegation of Authority (Resolved)
- FS-2011-21 Reconciliation of General Ledger (Repeated and Revised)
- FS-2012-01 Segregation of Duties (Repeated and Revised)
- FS-2012-02 Stale Dated Transactions Not Cancelled (repeated and revised)
- FS-2012-03 Late Submission of Audit Report (Repeated)
- FS-2012-04 Lack of Internal Controls over Expenditures (Repeated and Revised)

**STATE OF NEW MEXICO
VILLAGE OF QUESTA
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2013**

An exit conference was held on June 17, 2014, to discuss the results of the audit. Notice of this meeting was disclosed pursuant to the Open Meeting Act (10-15-1, NMSA 1978). Because the audit report was not yet released by the Office of the State Auditor, the meeting was a closed session. Attending were the following:

Representing the Village:

Mark Gallegos, Mayor
Lawrence A. Ortega, Councilor
Loretta Trujillo, Village Administrator (Current)
Jack Maes, Village Administrator (Prior)
Renee Martinez, Clerk

Representing the Independent Auditors:

Daniel O. Trujillo, CPA, CFE

Note: The financial statements were prepared by the independent certified public accounting firm performing the audit with the assistance of the Office's Administrator. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles. Management has reviewed and approved the financial statements.