

**State of New Mexico
Village of Williamsburg**

**Annual Financial Report
For The Year Ended June 30, 2009**

(With Independent Auditor's Report Thereon)

State of New Mexico
Village of Williamsburg

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State of New Mexico
Village of Williamsburg

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INTRODUCTORY SECTION

**State of New Mexico
Village of Williamsburg**

**Official Roster
June 30, 2009**

Village Trustees

Gorden Mishler
Edward Steck
Don Childers
Bob Polnaszek

Mayor
Mayor, Pro-Tern
Trustee
Trustee

Administration

Renee Stamper
Jerri McCauley

Clerk/Treasurer
Deputy Clerk/Treasurer

Garcia and Associates, CPA, LLC

Certified Public Accountant and Business Consultants

Raymond J. Garcia, CPA
Partner

Paul Lucero, MBA
Partner

2060 Main Street NE, Suite C
Los Lunas, NM 87031
Phone: (505) 865-7001
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INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor, and
Village Council
Village of Williamsburg
P.O. Box 150
Williamsburg, New Mexico 87942

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of the Village of Williamsburg (the Village), as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village's non major governmental funds and all budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental fund of the Village as of June 30, 2009, and respective changes in financial position thereof, and the budgetary comparisons for the non major governmental funds and the major enterprise fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 14, 2010 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be considered in assessing the result of our audit.

For the year ended June 30, 2009, the Village of Williamsburg has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basis financial statements.

Our audit was conducted for the purposes of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of changes in assets and liabilities of agency fund is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedure applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Garcia and Associates, CPA, LLC

Garcia and Associates, CPA, LLC
Los Lunas, New Mexico
July 15, 2010

**State of New Mexico
Village of Williamsburg
Statement of Net Assets
June 30, 2009**

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 674,157	\$ 164,131	\$ 838,288
Accounts receivable (net)	-	2,165	2,165
Taxes receivable	8,702	-	8,702
Intergovernmental receivable	152,887	-	152,887
Interest receivable	157	-	157
Total current assets	835,904	166,296	1,002,200
Capital assets:			
Land	18,507	-	18,507
Infrastructure	725,843	-	725,843
Buildings and improvements	496,433	366,046	862,479
Machinery and equipment	816,772	-	816,772
Vehicles	103,736	-	103,736
Work in progress	450,890	-	450,890
Less accumulated depreciation	(1,360,030)	(209,652)	(1,569,682)
Total capital assets	1,252,151	156,394	1,408,545
Total assets	2,088,055	322,690	2,410,745
LIABILITIES			
Accounts payable	27,254	-	27,254
Accrued payroll	3,759	-	3,759
Compensated absences payable	693	-	693
Long-term note payable			
Due within one year	9,827	-	9,827
Due in more than one year	61,268	-	61,268
Total liabilities	102,801	-	102,801
NET ASSETS			
Invested in capital assets, net of related debt	1,181,056	156,394	1,337,450
Restricted for:			
Community development projects	259,388	-	259,388
Unrestricted	544,811	166,296	711,107
Total net assets	\$ 1,985,255	\$ 322,690	\$ 2,307,945

State of New Mexico
Village of Williamsburg
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
Primary Government						
Governmental activities:						
General government	\$ 123,489	\$ 10,245	\$ -	\$ (113,244)	\$ -	(113,244)
Public safety	212,194	1,252	-	(210,942)	-	(210,942)
Public works	32,787	-	-	(32,787)	-	(32,787)
Culture and recreation	20,515	-	-	(20,515)	-	(20,515)
Interest on long-term debt	914	-	-	(914)	-	(914)
Total governmental activities	<u>389,898</u>	<u>11,497</u>	<u>-</u>	<u>(378,402)</u>	<u>-</u>	<u>(378,402)</u>
Business-type activities:						
Sewer utility fund	<u>11,290</u>	<u>27,343</u>	<u>-</u>	<u>-</u>	<u>16,053</u>	<u>16,053</u>
Total business-type activities	<u>11,290</u>	<u>27,343</u>	<u>-</u>	<u>-</u>	<u>16,053</u>	<u>16,053</u>
Total primary government	<u>\$ 401,188</u>	<u>\$ 38,840</u>	<u>\$ -</u>	<u>\$ (378,402)</u>	<u>\$ 16,053</u>	<u>(362,349)</u>
General revenues:						
Taxes						
Property taxes, levied for general purposes				7,853	-	7,853
Gross receipts taxes				21,848	1,618	23,466
Franchise taxes				9,658	-	9,658
Other taxes				8,386	-	8,386
Grants and contributions unrestricted				711,080		711,080
Investment income				4,765	869	5,634
Total general revenues				<u>763,590</u>	<u>2,486</u>	<u>766,076</u>
Changes in net assets				<u>385,188</u>	<u>18,539</u>	<u>403,727</u>
Net assets, beginning of year				1,599,679	304,151	1,903,830
Prior period restatement				388	-	388
Net assets, beginning of year restated				<u>1,600,067</u>	<u>304,151</u>	<u>1,904,218</u>
Net assets, end of year				<u>\$ 1,985,255</u>	<u>\$ 322,690</u>	<u>\$ 2,307,945</u>

**State of New Mexico
Village of Williamsburg
Balance Sheet
Governmental Funds
June 30, 2009**

	General Fund	Fire Fund	Streets Gas Tax	Other Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 479,628	\$ 55,779	\$ 54,135	\$ 84,616	\$ 674,158
Taxes receivable	8,411	-	-	291	8,702
Intergovernmental receivables	35,414	-	117,473	-	152,887
Interest receivable	51	106	-	-	157
Total assets	\$ 523,505	\$ 55,885	\$ 171,608	\$ 84,907	\$ 835,905
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 23,210	\$ 235	\$ 866	\$ 2,943	\$ 27,254
Accrued payroll	3,759	-	-	-	3,759
Total liabilities	26,969	235	866	2,943	31,013
Fund balances:					
Reserved for inventories	-	-	-	-	-
Reserved for:					
Community development	-	55,650	170,742	81,964	308,356
Unreserved and undesignated					
Reported in the general fund	496,536	-	-	-	496,536
Total fund balances	496,536	55,650	170,742	81,964	804,892
Total liabilities and fund balances	\$ 523,505	\$ 55,885	\$ 171,608	\$ 84,907	\$ 835,904

**State of New Mexico
Village of Williamsburg
Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Assets
June 30, 2009**

Total Fund balance for governmental funds		\$ 804,892
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Governmental capital assets	\$ 2,612,181	
Less accumulated depreciation	<u>(1,360,030)</u>	1,252,151

Long-term and short-term liabilities applicable to the Village governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in statement of net assets

Compensated absences payable	\$ (693)	
Current note payable	(9,827)	
Long-term note payable	<u>(61,268)</u>	<u>(71,788)</u>

Total net assets of governmental activities		<u>\$ 1,985,255</u>
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State of New Mexico
Village of Williamsburg
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Fire	Street Gas Tax	Other Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 7,853	\$ -	\$ -	\$ -	\$ 7,853
Gross receipts tax	21,848	-	-	-	21,848
Franchise tax	9,658	-	-	-	9,658
Other taxes	-	-	5,802	2,584	8,386
Licenses and permits	1,252	-	-	-	1,252
Intergovernmental revenue and grants	182,473	63,945	443,373	21,288	711,080
Charges for service	4,663	-	-	700	5,363
Fines	810	-	-	-	810
Investment earnings	2,998	538	854	375	4,766
Miscellaneous	1,072	-	-	3,000	4,072
Total revenues	<u>232,628</u>	<u>64,483</u>	<u>450,029</u>	<u>27,947</u>	<u>775,088</u>
EXPENDITURES:					
Current -					
General government	118,930	-	-	-	118,930
Health	-	-	-	-	-
Public safety	91,400	38,104	-	39,639	169,143
Public works	-	-	4,914	-	4,914
Culture and recreation	8,434	-	-	5,362	13,796
Capital outlay	-	22,127	450,890	-	473,017
Debt service -					
Principal	-	9,729	-	-	9,729
Interest and fiscal charges	-	914	-	-	914
Total expenditures	<u>218,765</u>	<u>70,874</u>	<u>455,804</u>	<u>45,001</u>	<u>790,443</u>
Excess (deficiency) of revenues over expenditures	<u>13,863</u>	<u>(6,390)</u>	<u>(5,774)</u>	<u>(17,054)</u>	<u>(15,355)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>13,863</u>	<u>(6,390)</u>	<u>(5,774)</u>	<u>(17,054)</u>	<u>(15,355)</u>
Fund balances, beginning of year	482,672	61,653	176,516	99,017	819,858
Prior period restatement	-	388	-	-	388
Fund balances, beginning of year restated	<u>482,672</u>	<u>62,040</u>	<u>176,516</u>	<u>99,017</u>	<u>820,246</u>
Fund balances, end of year	<u>\$ 496,536</u>	<u>\$ 55,650</u>	<u>\$ 170,742</u>	<u>\$ 81,964</u>	<u>\$ 804,892</u>

State of New Mexico
Village of Williamsburg
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund
Balances to Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009

Net changes in fund balances - total governmental funds \$ (15,355)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	488,408	
Less current year depreciation	<u>(97,755)</u>	390,652

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>162</u>	162
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Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.

Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.

Notes payable retirement	<u>9,729</u>	9,729
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Change in net assets of governmental activities		<u><u>\$ 385,188</u></u>
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State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 7,500	\$ 7,500	\$ 7,766	\$ 266
Gross receipts taxes	28,500	48,700	20,009	(28,691)
Franchise taxes	12,000	12,000	11,618	(382)
Intergovernmental revenue and grants	198,877	163,600	182,073	18,473
Licenses and permits	1,000	1,000	1,252	252
Fines and forfeits	1,000	1,000	810	(190)
Charges for services	1,000	4,000	4,663	663
Interest on investments	600	1,600	2,999	1,399
Miscellaneous	1,000	1,000	4,609	3,609
Total revenues	<u>251,477</u>	<u>240,400</u>	<u>235,799</u>	<u>(4,601)</u>
EXPENDITURES:				
General government	266,988	215,570	124,042	91,528
Public safety	-	20,433	100,116	(79,683)
Culture and recreation	16,071	7,000	8,383	(1,383)
Capital outlay	-	-	-	-
Total expenditures	<u>283,059</u>	<u>243,003</u>	<u>232,541</u>	<u>10,462</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(31,582)	(2,603)	3,258	5,861
Budgeted cash carryover	<u>31,582</u>	<u>2,603</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,258</u>	<u>\$ 5,861</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 3,258
Adjustments for revenue accruals	(3,171)
Adjustment for expenditures accruals	<u>13,777</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ 13,863</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Fire Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Intergovernmental revenue	\$ 40,590	\$ 40,590	\$ 63,945	\$ 23,355
Investment earnings	200	200	435	235
Total revenues	<u>40,790</u>	<u>40,790</u>	<u>64,380</u>	<u>23,590</u>
EXPENDITURES:				
Public safety	40,000	40,000	70,460	(30,460)
Capital outlay	-	-	-	-
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>70,460</u>	<u>(30,460)</u>
Excess (deficiency) of revenues over expenditures	790	790	(6,080)	(6,870)
Budgeted cash carryover	-	-	6,080	6,080
	<u>\$ 790</u>	<u>\$ 790</u>	<u>\$ (0)</u>	<u>\$ (790)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (6,080)
Adjustments for revenue accruals	104
Adjustment for expenditures accruals	<u>(413)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (6,390)</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Street Gas Tax Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenue and grant	\$ 15,000	\$ 15,000	\$ 333,201	\$ 318,201
Investment earnings	5,000	5,000	854	(4,146)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>334,055</u>	<u>314,055</u>
EXPENDITURES:				
Public works	55,000	55,000	454,938	(399,938)
Capital outlay	-	-	-	-
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>454,938</u>	<u>(399,938)</u>
Excess (deficiency) of revenues over expenditures	(35,000)	(35,000)	(120,883)	(85,883)
OTHER FINANCING SOURCES (USES):				
Interfund transfer	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(35,000)	(35,000)	(120,883)	(85,883)
Budgeted cash carryover	35,000	35,000	120,883	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ (85,883)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (120,883)
Adjustments for revenue accruals	115,975
Adjustment for expenditures accruals	<u>(866)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (5,774)</u>

**State of New Mexico
Village of Williamsburg
Statement of Net Assets
Proprietary Funds
June 30, 2009**

	Business-Type Activities
	Sewer
ASSETS	
Current assets:	
Cash and investments	\$ 164,131
Accounts receivable (net)	2,165
Total current assets	166,296
Noncurrent assets:	
Buildings and improvements	366,046
Accumulated depreciation - Buildings	(209,652)
Total noncurrent assets	156,394
Total assets	322,690
LIABILITIES	
Current liabilities:	
Accounts payable	-
Total current liabilities	-
NET ASSETS	
Invested in capital assets, net of related debt	156,394
Unrestricted	166,296
Total net assets	\$ 322,690

**State of New Mexico
Village of Williamsburg
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2009**

	Business-Type Activities Sewer
OPERATING REVENUES:	
Charges for services - sewer	\$ 27,343
Total operating revenues	27,343
OPERATING EXPENSES:	
Operating expenses	2,139
Depreciation	9,151
Total operating expenses	11,290
Operating income	16,053
NON-OPERATING REVENUES (EXPENSES):	
Interest income	869
Gross receipt tax	1,618
Total non-operating revenues (expenses)	2,486
Change in net assets	18,539
Total net assets, July 1 (Beginning)	304,151
Total net assets, June 30 (Ending)	\$ 322,690

**State of New Mexico
Village of Williamsburg
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2009**

	Business-Type Activities Sewer
<u>Cash flows from operating activities:</u>	
Cash received from user charges	\$ 27,225
Cash payments for other operating expenses	(2,139)
Net cash provided by operating activities	25,086
<u>Cash flows from other financing activities:</u>	
Gross receipt tax	1,559
Net cash provided by other financing activities	1,559
<u>Cash flows from investing activities:</u>	
Investment income	869
Net cash provided by investing Activities	869
Net increase (decrease) in cash and cash equivalents	27,514
Cash and cash equivalents, beginning of year	136,618
Cash and cash equivalents, end of year	\$ 164,131
Reconciliation of operating income to net cash	
<u>Provided by operating activities</u>	
Operating income	\$ 16,053
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	9,151
Effect of increases and decreases in current assets and liabilities:	
(Increase) decrease in accounts receivables	(118)
Net cash provided by (used for) operating activities	\$ 25,086

State of New Mexico
Village of Williamsburg
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2009

	<u>Agency Fund</u>
<u>Assets</u>	
Cash and cash equivalents	<u>\$ 1,187</u>
<u>Liabilities</u>	
Refunds payable and others	<u>1,187</u>
<u>Net assets</u>	
In-trust for the court and the community	<u><u>\$ -</u></u>

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

History, Mission and Organization

The Village of Williamsburg was incorporated under the laws of the State of New Mexico in the early 1900's. The Village operates under a Council-Mayor form of government, providing services as authorized by its charter: public safety (police and fire), streets, sanitation, health and welfare, culture and recreation, public improvements, and general administrative services

1) Summary of Significant Accounting Policies

The Village's financial statements are prepared using the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, GASB approved Statement #34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Government." In June 2001, the GAAP approved Statement No. 37 "Basic Financial Statements and Management Discussion and Analysis for State and Local Government: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures". Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies establishes and rescinds certain financial statement disclosure requirements. The Village of Williamsburg implemented the provisions of the above statements effective July 1, 2003.

A. Financial Reporting Entity

The Village Council (the "Council") is elected by the public and it has authority to make decisions, appoint administrators and managers, and significantly influence operations. It also holds primary accountability for fiscal matters. Therefore, the Village is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity." The Village is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Even though, the Village has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The Village does not have any component units; therefore, component units are not represented in the financial statements.

B. Government-Wide and Fund Financial Statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Village of Williamsburg non-fiduciary activities with most of the inter fund activities removed. Governmental activities include programs supported primarily by taxes, state funds, grants and other intergovernmental revenues. Business-type activities include operations that rely on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the Village operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the Village. Examples include user charges at

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies – (Continued)

recreation facilities and for health care services. The "grants and contributions" column includes amounts paid by organizations outside the Village to help meet the operational or capital requirements of a given function. Examples include grants under Housing and Urban Development's Community Development Block Grants. If revenue is not program revenue, it is general revenue used to support all of the Village's functions. Taxes are always general revenues.

Inter fund activities between governmental funds and between governmental funds and proprietary funds] appear as due to/due from on the Governmental Fund Balance Sheet [and Proprietary Fund Statement of Net Assets} and as other resource and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance (and on the Proprietary Fund Statement of Revenues, Expenses and Charges in Fund Net Assets).

The fund financial statements provide reports on the financial condition and results of operations for two fund categories -governmental and proprietary. The village considers some governmental (and enterprise) funds major and reports their financial condition and results of operations in a separate column The fund financial statements exclude the portion of these non exchange transaction revenues that are not available.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resource measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange transactions, derived tax revenues such as gross receipt taxes, and exchange-like transactions should be recognized when the exchange takes places. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, net of estimated refunds and uncollectible amounts. 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increase and decrease in current assets (i .e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies – (Continued)

principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Village considers all revenues available if they are collectable within 60 days after year end. Property taxes are considered revenue when they are levied, even if enforceable legal claims arise or the due date for payment occurs in a different period.

Revenues from local sources consist primarily of property, franchise, and gross receipts taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The Village considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the grant provisions. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the Village to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and recognized that become measurable. The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

D. Fund Accounting

The Village reports the following major governmental funds:

1. **General Fund** --The General Fund is the Village's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Fire Protection Fund** To account for the operations and maintenance of fire equipment. Financing is provided by a State allotment. Authority - NMSA 59A-53-1.
3. **Street Gas Tax Fund** --To account for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by the state statute. NMSA 7-1-6.9 and 7-13-1 to 18.

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies – (Continued)

The Village reports the following major enterprise funds:

- **Sewer Fund** - Sewer funds are used to account for the provision of sewage services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including administration, operations billing and maintenance.

Additionally, the Village reports the following fund type(s):

Governmental Funds:

- **Special Revenue Funds** -The Village accounts for resources restricted to, or designated for, specific purposes by the Village or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds:

- **Enterprise Funds** -The Village's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The Village has no non-major enterprise funds.

Fiduciary Funds:

- **Agency Funds** -The Village accounts for resources held for others in a custodial capacity in agency funds. The Village Agency Fund is:

Municipal Court -to account for fees collected for fines and penalties that are remitted to the Village by the Municipal Court

E. Other Accounting Policies:

1. For purposes of the statement of cash flows for proprietary funds, the Village considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The Village reports inventories of supplies at cost including consumable maintenance and office items. Supplies are recorded as expenditures when they are consumed.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies – (Continued)

4. statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.
5. It is the Village's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. All sick pay and vacation pay is accrued when incurred in the government - wide, proprietary, and fiduciary fund financial statements.
6. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense during construction is not capitalized except in enterprise funds. Computer software costing more than \$5,000 is depreciated. For the fiscal year 2006, the State's capitalization policy of capital assets are defined by the Village as an asset with an initial individual cost of more than \$5,000 and estimated useful life in excess of one year.

Buildings, furniture and equipment of the Village are depreciated using the straight line method of the following estimated useful lives:

Buildings and Improvements	40 years
Sewer plants	40 years
Infrastructure	10-20 years
Machinery & Equipment	10-20 years
Vehicles	5-10 years
Computer Equipment & Software	5-10 years

7. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
8. When the Village incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

2. Stewardship, Compliance, and Accountability

A. Budgetary Data

The Village Council adopts an "appropriated budget" for the General Fund, Special Revenue Funds and the Enterprise Fund. The Village is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The budgetary comparison is prepared on the cash basis of accounting.

The following procedures are followed in establishing the budgetary data reflected in the general - purpose financial statements:

1. The Village submits a proposed operating budget for the fiscal year commencing July 1, prior to June 30. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General, Special Revenue and Proprietary Funds.
2. Public hearings are conducted to obtain taxpayer comments. The budgets are then submitted to the department of Finance and Administration for review, adjustment and approval.
3. Prior to June 30, the budget is legally enacted through passage of a resolution. The Village Council is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the Department of Finance and Administration, Local Government Division.
4. Budgets for budgeted funds are adopted on the cash basis which is not consistent with generally accepted accounting principles. Budgetary comparisons have been presented in this report on the basis of the legally adopted budget.
5. Appropriations lapse at year end with any unspent cash balance being available for expenditures and appropriation in the subsequent year's budget.
6. The level of classification detail in which expenditures may not legally exceed appropriations for each budget is in fund total.

B. Deposit and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 \$0 of the government's bank balance of \$838,757 was exposed to custodial credit risk as follow:

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 838,757
Total bank deposits	838,757
State Treasurer External Investment Pool	8,155
Total deposits as of June 30, 2009	\$ 846,912

State Treasurer External Investment Pool (Local Government Investment Pool):

The Village also invested in the New MexiGROW Local Government Investment Pool (LGIP), a government investment pool, in rated AAAM by Standard & Poor's; or rated at AAA for credit risk. Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value . The prices of securities fluctuate with market interest rate and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity ONAM is a key determinant of the tolerance of a fund's investments to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates. The following is the disclosure of the LGIP investment rates:

June 30, 2009			
New MexiGROW LGIP	AAAM rated	\$ 1,000,000	24-day WAM

The blended yield of the LGIP portfolio at year-end was 2.40 percent, and average term of the portfolio was 24 days.

According to GASB Statement 40, an acceptable method for reporting interest rate risk is WAM which is the method used for reporting purposes for the LG IP investment report found on the State Treasurer's website: www.stonm.org or call (505) 955-1125, the State of New Mexico Office of the Treasurer.

The Village invested in LGIP in the amount of \$8,155 as of June 30, 2009. The following information may be helpful in understanding this State investment policy:

- (a) Investments are valued at fair value based on quoted market prices as of the valuation date;

State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009

2. Stewardship, Compliance, and Accountability (Continued)

(b) The State Treasurer LGIP is not Security Exchange Commission registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978.2

(c) The LGIP does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, 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 fund amount were invested; and

(d) Participation in the LGIP is voluntary.

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

The following is the investment at the Financial Institution:

Type of Account Account name	Bank of the Southwest	Compass Bank	First Savings Bank
Balance per bank	\$ 416,569	\$ 255,975	\$ 166,213
Balance per bank	<u>\$ 416,569</u>	<u>\$ 255,975</u>	<u>\$ 166,213</u>
Demmand deposits:			
General funds	\$ 415,859	\$ 255,975	\$ 100,373
Agency fund	710	-	-
Money market fund	-	-	65,840
Total deposits	<u>416,569</u>	<u>255,975</u>	<u>166,213</u>
Less: FDIC coverage	<u>(416,569)</u>	<u>(255,975)</u>	<u>(166,213)</u>
Uninsured public funds	<u>-</u>	<u>-</u>	<u>0</u>
Pledged collateral, CUSIP, maturity held at: Security held at Federal Reserve Bank in Atlanta, SHLV- Bank of Atlanta 1475 Peach Tree St. NE Atlanta, GA 30309, FHLMC #808290098, maturity on 04/01/37, on bank name		(413,293)	
Total pledged held by the pledging financial institution	<u>-</u>	<u>(413,293)</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>
50% pledged collateral requirement per Section 6-10-17, NMSA, 1978	\$ -	\$ -	\$ 0
Total pledged collateral	<u>-</u>	<u>(413,293)</u>	<u>-</u>
Pledged collateral (over) under the requirement	<u>\$ -</u>	<u>\$ (413,293)</u>	<u>\$ 0</u>

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

Following is a reconciliation of the Village's cash and investment balances as of June 30, 2009:

Name of Depository	Account Name	Type of Account	Interest Bearing	Bank balance at June 30, 2009	(Outstanding item)	Reconciled Balance at June 30, 2009
Bank of the Southwest	Village of Williamsburg	Checking	Yes	\$ 415,859	\$ (7,330)	\$ 408,529
Compass Bank	Village of Williamsburg	Checking	Yes	255,975	(305)	255,670
First Savings Bank	Village of Williamsburg	Savings	Yes	100,373	-	100,373
Bank of the Southwest	Village of Williamsburg	Checking	Yes	710	-	710
First Savings Bank	Village of Williamsburg	NMDA	Yes	<u>65,840</u>	-	65,840
	Balance per bank			838,757		
State Treasurer	Village of Williamsburg	Investment	Yes	<u>8,155</u>	-	8,155
	Balance per bank and State Treasurer			846,912		
	Outstanding item			(7,636)	<u>(7,636)</u>	
Petty cash	Village of Williamsburg			200		200
	Cash balances as of June 30, 2008			<u>\$ 839,476</u>		<u>\$ 839,476</u>

Cash reconciliation to Fund type:

Total cash for Government Funds	\$ 674,157
Total cash for Sewer Fund	164,131
Total cash for Agency Fund	<u>1,187</u>
Cash balances as of June 30, 2009	<u>\$ 839,476</u>

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

C. Property Taxes

The County collects the Village's share of property taxes assessed Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent by the County Treasurer to property owners by November 1 of each year to be paid in whole or two installments by December 10 and May 10 of the following year. The County collects such taxes and distributes to the Village on a monthly basis The Village accounts for its share of property taxes in the General Fund. Property tax revenues are considered available (1) when they become due or past due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the Village fiscal year.

D. Accounts Receivables

Accounts receivables at June 30, 2009, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Municipal Taxes	\$ 4,606	\$ 167
State Shared Taxes	3,931	-
Intergovernmental receivables	153,052	-
Other accounts receivable	<u>-</u>	<u>1,998</u>
Net Receivables	<u>\$ 161,589</u>	<u>\$ 2,165</u>

The above governmental and business-type receivables are deemed 100% collectible.

No allowances for uncollectible property taxes receivables, either current or delinquent, are included within the Village's funds because the information is unavailable from the County. The Village is prohibited from writing off real property taxes.

E. Interfund Balances and Activity

There were no transfers to/from funds during the year or balances due at June 30, 2009.

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

F. Capital Asset Activity

The changes in capital assets for the year ended June 30, 2009 is as follows:

Governmental - Type Activities:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ 18,507	\$ -	\$ -	\$ 18,507
Infrastructure Work in Progress	-	450,890	-	450,890
Land	<u>18,507</u>	<u>450,890</u>	<u>-</u>	<u>469,397</u>
Other capital assets				
Infrastructure	725,843	-	-	725,843
Building and Improvements	480,536	8,345	-	488,881
Machinery and Equipment	795,150	29,173	-	824,323
Vehicles	103,736	-	-	103,736
Total governmental capital assets	<u>2,105,265</u>	<u>37,519</u>	<u>-</u>	<u>2,142,784</u>
Less accumulated depreciation				
Infrastructure	(524,941)	(25,099)	-	(550,040)
Building and Improvements	(216,653)	(12,067)	-	(228,720)
Machinery and Equipment	(467,598)	(50,215)	-	(517,813)
Vehicles	(53,083)	(10,374)	-	(63,457)
	<u>(1,262,275)</u>	<u>(97,754)</u>	<u>-</u>	<u>(1,360,029)</u>
Net Assets	<u>\$ 861,497</u>	<u>\$ 390,654</u>	<u>\$ -</u>	<u>\$ 1,252,151</u>

Business Type Activities

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Building and Improvements (40yrs)	<u>\$ 366,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,046</u>
Less accumulated depreciation				
Building and Improvements	(200,501)	(9,151)	-	(209,652)
Total accumulated depreciation	<u>(200,501)</u>	<u>(9,151)</u>	<u>-</u>	<u>(209,652)</u>
Net Assets	<u>\$ 165,545</u>	<u>\$ (9,151)</u>	<u>\$ -</u>	<u>\$ 156,394</u>

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	
Judicial	\$ 4,191
Financial administration	4,720
Total general government	8,911
Public safety	
Police	8,559
Fire protection	44,338
Health	1,354
Total public safety	54,250
Public works:	
Highways and streets	27,874
Total public works	27,874
Culture and recreation	
Parks	6,719
Total culture and recreation	6,719
	\$ 97,754

G. Bonds and Long-Term Notes Payable

For General Governmental Activities:

New Mexico Finance Authority	
Original Amount	\$ 100,000
Loan Closing Date	April 21, 2006
First Coupon Date	November 1, 2006
Final Maturity	May 1, 2016
Interest Rate	3.140% to 3.630%

The Village of Williamsburg acquired a Pumper Fire Truck in order to provide fire protection services within the Village. A \$100,000 loan was obtained from the New Mexico Finance Authority. The loan is secured with a pledge of the Fire Department's annual distribution of Fire Protection Fund Revenues. An administration fee of .25% will be charged. The village has entered into an intercept agreement with the New Mexico Finance Authority from the annual distribution of Fire Protection Fund Revenues for the annual debt service payment. The New Mexico Finance Authority maintains an interest bearing account in the name of the Village to receive and disburse those amounts

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

2. Stewardship, Compliance, and Accountability (Continued)

Cash Requirements for NMFA Loan Payable

Note payable:	Balance			Balance June 30, 2009	Due in One Year
	June 30, 2008	Additions	Deletions		
NM Finance Authority	\$ 80,824	\$ -	\$ (9,729)	\$ 71,095	\$ 9,827

Interest expense for 2009 was \$711.72.

The annual requirement to amortize debt outstanding as of June 30, 2009 is as follows:

<u>Year ending</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Admin. Fee</u>	<u>Total</u>
2010	\$ 9,827	\$ 638	\$ 178	\$ 10,643
2011	9,928	561	153	10,642
2012	10,034	480	128	10,643
2013	10,146	394	103	10,643
2014	10,263	303	78	10,644
2015-16	20,897	313	79	21,289
	<u>\$ 71,095</u>	<u>\$ 2,690</u>	<u>\$ 719</u>	<u>\$ 74,504</u>

3. Revenues -Charge For Services And Fees

Charge for services and fees composed of the local traffic safety fee, rental income, reimbursement of office expenses and service provide to Corrections Department.

	<u>General Fund</u>	<u>Corrections Fund</u>	<u>Total</u>
Rental income	\$ 4,663		\$ 4,663
Fines	810		810
Licenses and permits	1,252		1,252
Local corrections fee	-	700	700
Total charges for services and fees	<u>\$ 6,725</u>	<u>\$ 700</u>	<u>\$ 7,425</u>

4. Account Payable

Accounts payable represent expenditures for goods and services prior to June 30, 2009.

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

5. Invested In Capital Assets (Net Related Debt)

Invested in capital assets (net related debt) - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated un-amortized cost.

6. Restricted Assets

Restricted Assets are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitation on their use.

7. Unrestricted Assets

Unrestricted assets represent unrestricted liquid assets.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

9. Compensation Absences Payable

Upon retirement or death of certain employees, the Village pays any accrued vacation leave in a lump cash payment to such employee of his/her estate. A summary of charges in the accumulated vacation leave liability follows:

	Vacation Leave
Balance June 30, 2008	\$ 854
Additions	1,088
(Deductions)	<u>(1,249)</u>
Balance June 30, 2009	<u>\$ 693</u>

The compensation absences payable is due within one year for the amount of \$693.

All amounts are classified as current liabilities. The General or Utility Funds, as appropriate, have been used to liquidate amounts in the past.

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

10. Defined Benefit Pension Plan

Plan Description:

Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act, (Chapter 10, Article 11, NMSA 1978). The Public 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, 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. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico, 87504-2123.

Funding Policy:

Plan members, except police are required to contribute 9.15% of their gross salary. The Village is required to contribute 9.15% for all employees effectively on March 1st 2007 except police, which is required at 10%. The contribution requirements of plan members and the Village are established in Chapter 10, Article 7C, NMSA, 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the years ending June 30, 2009, and 2008 are \$5,661, and \$5,570, respectively, equal to the amount of the required contributions for each year.

11. Post-Employment Benefits

The Retiree Health Care Act (Act) (Chapter 10, Article 7C, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 90 of Chapter 6, Law of 1990, the City has elected not to participate in the program by adoption of an ordinance.

12. Participation In Public Entity Risk Pool

The Village is a member of the New Mexico Self-Insurers' Fund (the "Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for insurance coverage and develop a comprehensive loss control program. The Village pays an annual premium to the Fund for its workers' compensation liability, general liability, auto liability, auto physical damage and property coverage. The Village's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide through commercial companies reinsurance contracts, individual stop loss coverage for member cities. The Village paid premiums of \$37,279 for the year ended June 30, 2009.

**State of New Mexico
Village of Williamsburg
Notes to The Financial Statements
June 30, 2009**

13. Prior Period Adjustment

During the current year, it was determined that funds held by New Mexico Finance Authority in the amount \$388 were not included in cash in the Fire Fund for fiscal year ending June 30, 2008. To correct this error, the beginning fund balance of the Fire Fund of \$61,653, as originally reported, has been increased to \$62,040. In addition, beginning net assets for governmental activities of \$1,599,679 as originally reported have been increased to \$1,600,067.

14. Excess Expenditures Over Appropriations

New Mexico State Statues restricts all officials and governing authorities from approving claims in excess of the approved budget. The Village exceeded its authorized authority by \$448,978 as follows:

Fund	Budgeted Expenses	Actual Expenses	Difference
Fire	\$ 40,000	\$ 70,460	\$ (30,460)
Law Enforcement	20,000	25,390	(5,390)
Street Gas Tax	55,000	454,938	(399,938)
Lodgers Tax	2,000	4,481	(2,481)
Flood Services	5,000	7,401	(2,401)
Emergency Medical Services	-	8,308	(8,308)
Totals	<u>\$ 122,000</u>	<u>\$ 570,978</u>	<u>\$ (448,978)</u>

15. Significant Commitments and Contingencies

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

SUPPLEMENTAL INFORMATION

State of New Mexico
Village of Williamsburg
June 30, 2009

Special Revenue Funds

Major Funds

Fire Protection Fund - To account for the operations and maintenance of fire equipment. Financing is provided by a state allotment. Authority - NMSA 59A-53-1.

Streets Gas Tax Fund - To account for the receipts and expenditures for special gasoline tax, is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by state statute, NMSA 7-1-6.9 and 7-13-1 to 18.

Non-Major Funds

Corrections Fund - To account for the collection of fines which are used to supplement the cost of prisoner housing. The fund was created by the authority of state statute 29-13-1 NMSA 1978.

Emergency Medical Services Fund - To account for state and county proceeds provided for operations of the Village's emergency medical services. Authority -NMSA 24-10A-1 to 10.

Law Enforcement - To account for funds received from the state for law enforcement purpose. The fund was created by the authority of state grant provisions, NMSA 29-13-3.

Lodger's Tax Fund - To account for a lodger's tax which is used for cultural and recreational purposes. Authority NMSA 3-38-13 to 24.

Recreation Fund - To account for the operations and maintenance of recreation facilities. Financing is provided by a specific tax on cigarette sales. Authority -NMSA 7-12-15.

Flood Control Fund - To account for maintenance and improvements to flood control. Financing is provided by the Water Research, Conservation and Development Act. Authority - NMSA 75-2-1.

**State of New Mexico
Village of Williamsburg
Combining Balance Sheet
Non Major Special Revenue Funds
June 30, 2009**

	201	203	205	206	208	209	Total
	Corrections	Emergency Medical Services	Law Enforcement	Lodgers Tax	Recreation	Flood Services	Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 14,189	\$ 14,875	\$ 32,817	\$ 8,729	\$ 4,402	\$ 9,603	\$ 84,616
Taxes receivable	-	-	-	249	42	-	291
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 14,189</u>	<u>\$ 14,875</u>	<u>\$ 32,817</u>	<u>\$ 8,978</u>	<u>\$ 4,444</u>	<u>\$ 9,603</u>	<u>\$ 84,907</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ -	\$ -	\$ 2,062	\$ 881	\$ -	\$ -	\$ 2,943
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,062</u>	<u>\$ 881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,943</u>
Fund balances:							
Reserved for inventories	-	-	-	-	-	-	-
Unreserved designated for:							
Community development projects	14,189	14,875	30,755	8,097	4,444	9,603	81,964
Total fund balances	<u>14,189</u>	<u>14,875</u>	<u>30,755</u>	<u>8,097</u>	<u>4,444</u>	<u>9,603</u>	<u>81,964</u>
Total liabilities and fund balances	<u>\$ 14,189</u>	<u>\$ 14,875</u>	<u>\$ 32,817</u>	<u>\$ 8,978</u>	<u>\$ 4,444</u>	<u>\$ 9,603</u>	<u>\$ 84,907</u>

State of New Mexico
Village of Williamsburg
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	201	203	205	206	208	209	Total
	Corrections	Emergency Medical Services	Law Enforcement	Lodgers Tax	Recreation	Flood Services	Nonmajor Governmental Funds
REVENUES:							
Taxes:							
Other taxes	\$ -	\$ -	\$ -	\$ 2,584	\$ -	\$ -	\$ 2,584
Intergovernmental revenue and grants	-	-	20,000	-	1,288	-	21,288
Charges for services	700	-	-	-	-	-	700
Investment earnings	33	42	251	27	17	5	375
Miscellaneous	-	3,000	-	-	-	-	3,000
Total revenues	733	3,042	20,251	2,611	1,305	5	27,947
EXPENDITURES:							
Public safety	5	8,358	23,875	-	-	7,401	39,639
Health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	5,362	-	-	5,362
Capital outlay	-	-	-	-	-	-	-
Total expenditures	5	8,358	23,875	5,362	-	7,401	45,001
Excess (deficiency) of revenues over expenditures	729	(5,316)	(3,624)	(2,751)	1,305	(7,396)	(17,054)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net changes in fund balances	729	(5,316)	(3,624)	(2,751)	1,305	(7,396)	(17,054)
Fund balances - July 1 (Beginning)	13,461	20,192	34,378	10,848	3,140	16,999	99,017
Fund balances - June 1 (Ending)	\$ 14,190	\$ 14,875	\$ 30,754	\$ 8,097	\$ 4,444	\$ 9,602	\$ 81,963

The accompanying notes are an integral part of the financial statements.

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Corrections Fund (201)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 800	\$ 800	\$ 700	\$ (100)
Investment earnings	15	15	33	18
Total revenues	815	815	733	(82)
EXPENDITURES:				
Capital outlay	100	100	5	95
Total expenditures	100	100	5	95
Excess (deficiency) of revenues over expenditures	715	715	728	13
Budgeted cash carryover	-	-	-	-
	\$ 715	\$ 715	\$ 728	\$ 13

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 728
Adjustments for revenue accruals	-
Adjustment for expenditures accruals	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$ 728

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Emergency Medical Services Fund (203)
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Donations	\$ 3,020	\$ 3,020	\$ 3,000	\$ (20)
Investment earnings	-	-	42	42
Total revenues	<u>3,020</u>	<u>3,020</u>	<u>3,042</u>	<u>22</u>
EXPENDITURES:				
Health	-	-	8,308	(8,308)
Total expenditures	<u>-</u>	<u>-</u>	<u>8,308</u>	<u>(8,308)</u>
Excess (deficiency) of revenues over expenditures	3,020	3,020	(5,266)	(8,286)
Budgeted cash carryover	-	-	5,266	-
	<u>\$ 3,020</u>	<u>\$ 3,020</u>	<u>\$ 0</u>	<u>\$ (8,286)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (5,266)
Adjustments for revenue accruals	-
Adjustment for expenditures accruals	<u>(51)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (5,316)</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Law Enforcement Protection Fund (205)
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenue and grants	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Investment earnings	10	10	251	241
Total revenues	<u>20,010</u>	<u>20,010</u>	<u>20,251</u>	<u>241</u>
EXPENDITURES:				
Public safety	<u>20,000</u>	<u>20,000</u>	<u>25,390</u>	<u>(5,390)</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>25,390</u>	<u>(5,390)</u>
Excess (deficiency) of revenues over expenditures	10	10	(5,139)	(5,149)
Budgeted cash carryover	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ (5,139)</u>	<u>\$ (5,149)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (5,139)
Adjustments for revenue accruals	-
Adjustment for expenditures accruals	<u>1,516</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (3,623)</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Lodgers Tax Fund (206)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 2,000	\$ 2,000	\$ 2,554	\$ 554
Investment earnings	10	10	27	17
Total revenues	<u>2,010</u>	<u>2,010</u>	<u>2,581</u>	<u>571</u>
EXPENDITURES:				
Culture and recreation	2,000	2,000	4,481	(2,481)
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>4,481</u>	<u>(2,481)</u>
Excess (deficiency) of revenues over expenditures	10	10	(1,900)	(1,910)
Budgeted cash carryover	-	-	-	-
	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ (1,900)</u>	<u>\$ (1,910)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (1,900)
Adjustments for revenue accruals	30
Adjustment for expenditures accruals	<u>(881)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (2,751)</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Recreation Fund (208)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 1,100	\$ 1,100	\$ 1,360	\$ 260
Investment earnings	100	100	17	(83)
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,377</u>	<u>177</u>
EXPENDITURES:				
Recreation	1,100	1,100	-	1,100
Capital outlay	-	-	-	-
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>-</u>	<u>1,100</u>
Excess (deficiency) of revenues over expenditures	100	100	1,377	1,277
OTHER FINANCING SOURCES (USES):				
Interfund transfer	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	100	100	1,377	1,277
Budgeted cash carryover	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 1,377</u>	<u>\$ 1,277</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 1,377
Adjustments for revenue accruals	(73)
Adjustment for expenditures accruals	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ 1,305</u>

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Flood Services Fund (209)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 10,015	\$ 10,015	\$ 5	\$ (10,010)
Investment earnings	-	-	-	-
Total revenues	<u>10,015</u>	<u>10,015</u>	<u>5</u>	<u>(10,010)</u>
EXPENDITURES:				
Public works	5,000	5,000	7,401	(2,401)
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>7,401</u>	<u>(2,401)</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,396)	(12,411)
OTHER FINANCING SOURCES (USES):				
Interfund transfer	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(7,396)	(12,411)
Budgeted cash carryover	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,396)</u>	<u>\$ (12,411)</u>

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (7,396)
Adjustments for revenue accruals	-
Adjustment for expenditures accruals	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	<u>\$ (7,396)</u>

**State of New Mexico
Village of Williamsburg
Enterprise Funds**

Sewer Fund - Sewer funds are used to account for the provision of sewage services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including administration, operations billing and maintenance.

State of New Mexico
Village of Williamsburg
Statement of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual (Cash Basis)
Sewer Fund (704)
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 8,200	\$ 8,200	\$ 27,225	\$ 19,025
Investment earnings	-	-	869	869
Gross receipts tax	-	-	1,559	1,559
Total revenues	8,200	8,200	29,652	21,452
EXPENDITURES:				
Repairs and maintenance	8,000	8,000	2,139	5,861
Total expenditures	8,000	8,000	2,139	5,861
Excess (deficiency) of revenues over expenditures	200	200	27,513	27,313
OTHER FINANCING SOURCES (USES):				
Interfund transfer	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	200	200	27,513	27,313
Budgeted cash carryover	-	-	-	-
	\$ 200	\$ 200	\$ 27,513	\$ 27,313

Budgetary - GAAP Reporting Reconciliation:

Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 27,513
Adjustments for revenue accruals	177
Adjustment for expenditures accruals	(9,151)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$ 18,539

OTHER SUPPLEMENTAL INFORMATION

State of New Mexico
Village of Williamsburg
Schedule of Changes in Assets and Liabilities
Agency Fund
June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
<u>Assets</u>				
Cash in Bank				
Court	\$ 515	\$ 280	\$ (318)	\$ 477
Patriot	710	-	-	710
Total Assets	<u>1,225</u>	<u>280</u>	<u>(318)</u>	<u>1,187</u>
<u>Liabilities</u>				
Due to Others				
Court	515	280	(318)	477
Patriot	710	-	-	710
Total liabilities	<u>\$ 1,225</u>	<u>\$ 280</u>	<u>\$ (318)</u>	<u>\$ 1,187</u>

**State of New Mexico
 Village of Williamsburg
 Schedule of Joint Powers Agreements
 For The Fiscal Year Ended June 30, 2009**

Participants	Responsible Party for Operations	Description	Beginning and Ending Dates	Total Estimated Amount of Project	Contribution 6/30/2009	Audit Responsibility	Revenues and Expenditures Reported on
Village of Williamsburg City of Truth or Consequences	City of Truth or Consequences	Police Protection Services	October 12, 2007 October 11, 2010	\$ 120,000	\$ 23,875	Revenues-Williamsburg Personel Exp- TOC Exp. - Williamsburg	Revenues-Williamsburg Personel Exp- TOC Exp.- Williamsburg

The accompanying notes are an intergral part of the financial statements.

Garcia and Associates, CPA, LLC

Certified Public Accountant and Business Consultants

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Mr. Hector H. Balderas
New Mexico State Auditor, and
Village Council
Village of Williamsburg
P.O. Box 150 Williamsburg, New Mexico 87942

We have audited the financial statements of the governmental activities, the business-type activities, each major fund the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of the Village of Williamsburg (the Village), as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 15, 2010. We have also audited the financial statements of each of the Village's non-major governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. 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 the audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or

report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2007-03, 2008-01, 2008-02 and 2009-01 to be significant deficiencies in internal control over financial reporting .

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above. We consider items 2007-03, 2008-01 and 2009-01 to be material weaknesses.

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 grants 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 item 2008-01, 2008-2 and 2009-1.

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

This report is intended solely for the information and use of management, others within the Village. the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Department of Finance Administration and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Garcia and Associates, CPA, LLC

Garcia and Associates, CPA, LLC
Los Lunas, New Mexico
July 15, 2010

**State of New Mexico
Village of Williamsburg**

Summary Schedule of Prior Year Audit Findings

<u>Findings for Fiscal Year 2008</u>	<u>Current Status</u>
2007-2 Accounting software in use is not capable of providing or accounting for the financial reports of each fund or activity level.	Resolved
2007-3 Numerous account posting misclassifications	Repeated in current year
2008-1 Budgeted expenditures exceeded	Repeated in current year
2008-2 Failure to submit audit report on time.	Repeated in current year

**State of New Mexico
Village of Williamsburg
Schedule of Findings and Responses
For The Year Ended June 30, 2009**

Current Year Audit Findings

2007-3 Numerous account posting errors

Statement of Condition:

The village implemented a new accounting software package October 1, 2009. Training and implementation of this new software system was not adequate for the needs of the village and its personnel. Because of this, posting errors have occurred.

For example, on April 28, 2009 there was a withdrawn of funds from State Investment LGIP Account in the amount of \$100,000 that was incorrectly posted to a revenue account. The effect of this posting error, is the ledger was overstated by \$100,000. These are money transfers between banks, and transfers transactions should only be posted between the bank account ledgers at the balance sheet level.

Criteria:

Section 12-6-5, NMSA 1978, states that any violation of law or good accounting practices should be communicated with the Villages management.

Cause:

Personnel assigned posting duties lacked adequate training with the new accounting software. The implementation of the new software was not accomplished as required.

Effect:

Account balances can be misstated.

Recommendation:

We recommend that the Village personnel receive adequate training with the computer software and that the software vendor be notified of the deficiencies in implementation.

Management's Response:

Village personnel will continue take classes and training. Management is in agreement that is important to further the education of the Village staff. Management is also reviewing the software implementation and considering all options.

**State of New Mexico
Village of Williamsburg
Schedule of Findings and Responses
For The Year Ended June 30, 2009**

2008-1 Budgeted expenditures exceeded

Statement of Condition:

The Village exceeded its budgets in the Fire Fund (by \$30,460), Law Enforcement Protection Fund (by \$5,390), Street Gas Tax Fund (by \$399,938), Lodgers Tax Fund (by \$2,481), Flood Services Fund (by \$2,401), Emergency Medical Services Fund (by \$8,308)

Criteria:

The budget provisions as stated in 6-3-1 to 6-325 NMSA 1978 require that expenditures at the fund level cannot exceed budget expenditures.

Cause:

The Village did not review and amend the budget as necessary at year end.

Effect:

Noncompliance with New Mexico budgeting statutes.

Recommendation:

The Village should adopt budgets and monitor and amend those budgets in accordance with New Mexico State Statues.

Management's Response:

The Village will review and make year- end budget adjustments in order to be in compliance.

**State of New Mexico
Village of Williamsburg
Schedule of Findings and Responses
For The Year Ended June 30, 2009**

2008-2 Failure to submit audit report on time.

Statement of Condition:

The village did not submit the audit report on time for the year ended June 30, 2009.

Criteria:

Per SAO Rule 2.2.2.9 A. (1), (d), The audit report for municipalities must be submitted by December 1, 2009.

Cause:

The contract auditor had scheduling difficulties and was not able to complete the audit by the required deadline.

Effect:

An audit report not issued in a timely manner may adversely affect management's decision making.

Recommendation:

The contract auditor should complete the audit by the required deadline.

Management's Response:

The Village did contract for the audit prior to year end and allowed for sufficient time to allow for completion by the due date of December 1.

**State of New Mexico
Village of Williamsburg
Schedule of Findings and Responses
For The Year Ended June 30, 2009**

2009-1 Failure to reconcile bank accounts monthly

Statement of Condition:

The bank accounts are not being reconciled correctly monthly.

Criteria:

All bank accounts should be reconciled correctly monthly.

Cause:

Section 12-6-5, NMSA 1978, states that any violation of law or good accounting practices should be communicated with the Village's management. The village converted to a new software program which did not print out a copy of the reconciliation report after the reconciliation was performed. No record of the reconciliation was available.

Effect:

The cash accounts can misstated.

Recommendation:

We recommend that the Village have the computer software modified to print out the reconciliation report as part the monthly reconciliation process.

Management's Response:

The Village has had the software modified to perform the printing of the reconciliation report as part of the reconciliation process. Monthly reconciliation are now being done.

**State of New Mexico
Village of Williamsburg
Schedule of Findings and Responses
For The Year Ended June 30, 2009**

Exit Conference

This report was discussed with the following individuals at an exit conference held on May 14, 2010.

Village of Williamsburg

Gorden Mishler, Mayor
Don Childers, Trustee
Renee Stamper, Clerk/Treasurer

Audit Firm

Raymond J. Garcia, CPA
Garcia and Associates, CPA, LLC

Financial Statement Audit

Preparation of the Financial Statements

The basic financial statements and notes to the financial statements for the year ended June 30, 2009, were substantially prepared by the independent certified public accountant performing the audit; however, maintaining the audited entity's books and records is the responsibility of its management. Accordingly, management is responsible for ensuring that these books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance.