

Charles L. Henry

Certified Public Accountant

666 Cook Avenue

Raton, New Mexico 87740

(505) 681-9762

STATE OF NEW MEXICO

Village of Williamsburg

Independent Accountant's Report

For the Fiscal Year Ended June 30, 2013

The Village of Williamsburg
Table of Contents
June 30, 2013

	<u>Page</u>
Official Roster	1
Independent Auditor's Report	2 - 4
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet - Governmental Funds	7
Reconciliation of the Fund Balance of Governmental Funds to Governmental Activities Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
General Fund	11
Fire Fund	12
Municipal Street Fund	13
Proprietary Fund	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Fund Net Position	15
Statement of Cash Flows	16
Agency Fund	
Statement of Fiduciary Assets and Liabilities	17
NOTES TO THE FINANCIAL STATEMENTS	18 - 34
SUPPLEMENTAL INFORMATION	
Special Revenue Funds	35
Statements For Non Major Governmental Funds	
Combining Balance Sheet	
Non Major Special Revenue Funds	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non Major Special Revenue Funds	37

The Village of Williamsburg
Table of Contents
June 30, 2013

Statements For Non Major Governmental Funds	
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
Non Major Special Revenue Funds	
Corrections Fund	38
Emergency Medical Services Fund	39
Law Enforcement Fund	40
Lodgers Tax Fund	41
Parks and Recreation Fund	42
Flood Prevention Fund	43
Enterprise Fund	
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
Sewer Fund	44
OTHER SUPPLEMENTAL INFORMATION	
Agency Fund	
Schedule of Changes in Assets and Liabilities	45
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	46 - 47
Schedule of Findings and Responses	48 - 51
Exit Conference	52

**The Village of Williamsburg
Official Roster
June 30, 2013**

Elected Officials

<u>Name</u>	<u>Title</u>
Carol Schuiling	Mayor
Debbie Stubblefield	Mayor - Pro-Tem
Majorie Powey	Trustee
Ron Hoskins Sr.	Trustee
Paul McCauley	Trustee

Administrative Staff

Linda S. Bauer	Clerk - Treasurer
Jerri McCauley	Deputy Clerk

Charles L. Henry

Certified Public Accountant
666 Cook Avenue
Raton, New Mexico 87740
(505) 681-9762

INDEPENDENT AUDITOR'S REPORT

**Mr. Hector H. Balderas, New Mexico State Auditor and
The Honorable Carol Schulling, Mayor
and Members of the Village Board of Trustees
Village of Williamsburg
Williamsburg, New Mexico**

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Williamsburg (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. I also have audited the financial statements of each of the Village's nonmajor governmental, nonmajor enterprise and the budgetary comparisons for nonmajor funds presented as supplementary information, as defined by the Governmental 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 the aggregate remaining fund information of the Village, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and nonmajor enterprise fund of the Village as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds and enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Village management has omitted the required presentation of the MD&A. My opinion on the basic financial statements is not affected by this missing information.


Other Information

My audit was conducted for the purpose of forming opinions on the Village's 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 basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 18, 2013 on my consideration of the Village's internal control over financial reporting and on my 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 my 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.

A handwritten signature in black ink that reads "Charles L. Henry CPA". The signature is written in a cursive style.

**Charles L. Henry, CPA
Raton, New Mexico
November 18, 2013**

The Village of Williamsburg
Government-wide Financial Statements
Statement of Net Position
June 30, 2013

<u>ASSETS</u>	Governmental Activities	Business-Type Activities	Primary Government Total
Current Assets			
Cash and Cash Equivalents	\$ 563,916	\$ 177,563	\$ 741,479
Accounts Receivable and Prepaid Amounts	3,731	-	3,731
Taxes Receivable	8,442	-	8,442
Due (to)/from Other Funds	(77)	77	-
Total Current Assets	576,011	177,641	753,652
Noncurrent Assets			
Land	18,507	-	18,507
Infrastructure	1,383,168	-	1,383,168
Buildings and Improvements	486,481	366,046	852,527
Machinery and Equipment	103,773	-	103,773
Vehicles	28,336	-	28,336
Less Accumulated Depreciation	(1,006,400)	(246,257)	(1,252,656)
Total Noncurrent Assets	1,013,866	119,789	1,133,655
TOTAL ASSETS	1,589,877	297,430	1,887,307
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	15,490	131	15,621
Taxes Payable	595	-	595
Total Current Liabilities	16,084	131	16,216
Long-Term Liabilities			
Long-Term Debt (Less current portion above)	-	-	-
Compensated Absences	1,770	-	1,770
Total Long-Term Liabilities	1,770	-	1,770
TOTAL LIABILITIES	17,854	131	17,986
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	1,013,866	119,789	1,133,655
Restricted for:			
Public Safety	33,233	-	33,233
Culture and Recreation	12,548	-	12,548
Public Works	55,606	-	55,606
Unrestricted	456,770	177,509	634,280
TOTAL NET POSITION	\$ 1,572,023	\$ 297,299	\$ 1,869,321

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Government-wide Financial Statements
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Fees, Fines and Charges for Services	Operating Grant and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 531,200	\$ 13,083	\$ 82,070	\$ -	\$ (436,047)	\$ -	\$ (436,047)
Public Safety	101,187	-	-	-	(101,187)	-	(101,187)
Public Works	6,331	-	-	-	(6,331)	-	(6,331)
Cultural And Recreation	5,860	-	-	-	(5,860)	-	(5,860)
Total Government Activities	644,578	13,083	82,070	-	(549,425)	-	(549,425)
Business - Type Activities							
Water Utility Services	32,620	8,990	-	-	-	(23,630)	(23,630)
Total Business - Type Activities	32,620	8,990	-	-	-	(23,630)	(23,630)
Total Primary Government	\$ 677,198	\$ 22,074	\$ 82,070	\$ -	\$ (549,425)	\$ (23,630)	\$ (573,054)

General Revenues and Transfers

Taxes

Property Taxes Levied	\$ 9,452	\$ -	\$ 9,452
Gross Receipts Tax	68,241	1,935	70,176
Franchise Taxes	10,876	-	10,876
Gasoline Tax	14,551	-	14,551
Other Taxes	8,563	-	8,563
Grants and Programs Unrestricted	106,035	-	106,035
Licenses & Permits	1,392	-	1,392
Miscellaneous	3,167	-	3,167
Investment Earnings	566	92	658
Operating Transfers (Net)	(70,000)	70,000	-

Total General Revenues and Transfers	152,844	72,027	224,871
Changes in Net Position	(396,581)	48,397	(348,184)
Net Position Beginning	1,968,603	248,902	2,217,505
Net Position Ending	\$ 1,572,023	\$ 297,299	\$ 1,869,321

The notes to the financial statements are an integral part of these financial statements

**The Village of Williamsburg
Fund Financial Statements
Balance Sheet - Governmental Funds
June 30, 2013**

	General Fund	Fire Protection Fund	Municipal Street Fund	Nonmajor Governmental Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 462,629	\$ 4	\$ 55,502	\$ 45,781	\$ 563,916
Accounts Receivable	3,314	-	-	-	3,314
Intergovernmental Receivables	-	-	417	-	417
Taxes Receivable	8,442	-	-	-	8,442
Due from Other Funds	(77)	-	-	-	(77)
Total Assets	<u>\$ 474,308</u>	<u>\$ 4</u>	<u>\$ 55,919</u>	<u>\$ 45,781</u>	<u>\$ 576,011</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 15,176	\$ -	\$ 313	\$ -	\$ 15,490
Accrued Payroll and Benefits	595	-	-	-	595
Total Liabilities	<u>15,771</u>	<u>-</u>	<u>313</u>	<u>-</u>	<u>16,084</u>
<u>FUND BALANCES</u>					
Restricted for:					
Public Safety	-	-	-	33,233	33,233
Culture and Recreation	-	-	-	12,548	12,548
Public Works	-	-	55,606	-	55,606
Unassigned	458,537	4	-	-	458,540
Total Fund Balances	<u>458,537</u>	<u>4</u>	<u>55,606</u>	<u>45,781</u>	<u>559,927</u>
Total Liabilities and Fund Balances	<u>\$ 474,308</u>	<u>\$ 4</u>	<u>\$ 55,919</u>	<u>\$ 45,781</u>	<u>\$ 576,011</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Fund Financial Statements
Reconciliation of the Fund Balance of Governmental Funds
to Governmental Activities Net Position
June 30, 2013

<u>Fund Balance of Governmental Funds</u>	\$	559,927
 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.		
Governmental Capital Assets	\$	2,020,265
Less Accumulated Depreciation		<u>(1,006,400)</u>
		<u>1,013,866</u>
 Long-Term Liabilities as well as the current portion of such obligations are not due and payable in the current period and therefore are not reported as fund liabilities.		
Compensated Absences		<u>(1,770)</u>
		<u>(1,770)</u>
 Net Position of Governmental Activities	 \$	 <u>1,572,023</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Fund Financial Statements
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General Fund	Fire Protection Fund	Municipal Street Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes - Property	\$ 9,452	\$ -	\$ -	\$ -	\$ 9,452
Taxes - State Shared	82,793	-	-	-	82,793
Taxes - Franchise	10,876	-	-	-	10,876
Taxes - Other	-	-	6,542	2,021	8,563
Intergovernmental	106,035	62,070	-	20,000	188,105
Charges for Services	11,643	-	-	1,440	13,083
Interest	396	14	117	40	566
Licenses and Permits	1,392	-	-	-	1,392
Miscellaneous	3,167	-	-	-	3,167
	<u>225,754</u>	<u>62,083</u>	<u>6,659</u>	<u>23,501</u>	<u>317,997</u>
Total Revenues					
EXPENDITURES					
Current					
General Government	260,502	-	-	-	260,502
Public Safety	23,696	55,305	-	22,185	101,187
Public Works	-	-	6,331	-	6,331
Cultural and Recreation	2,303	-	-	3,557	5,860
Debt Service					
Principal	-	41,306	-	-	41,306
	<u>286,501</u>	<u>96,611</u>	<u>6,331</u>	<u>25,742</u>	<u>415,185</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,747)	(34,528)	328	(2,242)	(97,188)
OTHER FINANCING SOURCES (USES)					
Operating Transfers in	-	-	-	5,000	5,000
Operating Transfers (Out)	(75,000)	-	-	-	(75,000)
	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>(70,000)</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balance	(135,747)	(34,528)	328	2,758	(167,188)
Fund Balance, Beginning of Year	594,284	34,531	55,278	43,022	727,115
	<u>594,284</u>	<u>34,531</u>	<u>55,278</u>	<u>43,022</u>	<u>727,115</u>
Fund Balance, Beginning of Year					
Total Fund Balance - End of Year	\$ <u>458,537</u>	\$ <u>4</u>	\$ <u>55,606</u>	\$ <u>45,781</u>	\$ <u>559,927</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Net Change in Fund Balances - Governmental Funds		\$ (167,188)
 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	(187,849)	
Less Current Year Depreciation	<u>(82,183)</u>	(270,032)
 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>(666)</u>	(666)
 Revenues that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.		
Payment on Long-Term Debt	<u>41,306</u>	<u>41,306</u>
 Change in Net Assets of Governmental Activities		 \$ <u>(396,581)</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
General Fund

For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Property	\$ 8,500	\$ 8,500	\$ 9,382	\$ 882
Taxes - State Shared	43,500	43,500	82,530	39,030
Taxes - Franchise	14,000	14,000	11,031	(2,969)
Taxes - Other	10,000	10,000	-	(10,000)
Intergovernmental	119,039	119,039	106,035	(13,004)
Charges for Services	-	-	9,840	9,840
Interest	500	500	396	(104)
Licenses and Permits	1,500	1,500	1,392	(108)
Miscellaneous	3,000	3,000	4,742	1,742
	<u>200,039</u>	<u>200,039</u>	<u>225,348</u>	<u>25,309</u>
<u>EXPENDITURES</u>				
Current:				
General Government	137,900	137,900	251,114	(113,214)
Public Safety	50,000	50,000	25,467	24,533
Cultural and Recreation	6,000	6,000	2,521	3,479
	<u>193,900</u>	<u>193,900</u>	<u>279,102</u>	<u>(85,202)</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,139	6,139	(53,754)	(59,893)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	75,000	75,000
	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	6,139	6,139	\$ (128,754)	\$ (134,893)
Budgeted Cash Carryover	(6,139)	(6,139)		
	<u>-</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>\$ -</u>		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (128,754)
Adjustments for Revenue Accruals	406
Adjustments for Expenditures Accruals	(7,399)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ (135,747)

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Fire Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Approved Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental	\$ 62,096	\$ 62,096	\$ 62,070	\$ (26)
Interest	<u>25</u>	<u>25</u>	<u>14</u>	<u>(11)</u>
Total Revenues	<u>62,121</u>	<u>62,121</u>	<u>62,083</u>	<u>(38)</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>62,096</u>	<u>62,096</u>	<u>97,546</u>	<u>(35,450)</u>
Total Expenditures	<u>62,096</u>	<u>62,096</u>	<u>97,546</u>	<u>(35,450)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25	25	(35,462)	(35,487)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	25	25	\$ <u>(35,462)</u>	\$ <u>(35,487)</u>
Budgeted Cash Carryover	<u>(25)</u>	<u>(25)</u>		
Total	<u>\$ -</u>	<u>\$ -</u>		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (35,462)
Adjustments for Revenue Accruals	934
Adjustments for Expenditures Accruals	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ <u>(34,528)</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Municipal Street Fund

For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Other	\$ 5,000	\$ 5,000	\$ 6,542	\$ 1,542
Interest	-	-	117	117
Total Revenues	5,000	5,000	6,659	1,659
<u>EXPENDITURES</u>				
Current:				
Public Works	2,500	2,500	6,018	(3,518)
Total Expenditures	2,500	2,500	6,018	(3,518)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	2,500	641	(1,859)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	2,500	2,500	\$ 641	\$ (1,859)
Budgeted Cash Carryover	(2,500)	(2,500)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 641
Adjustments for Revenue Accruals	(313)
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ 328

The notes to the financial statements are an integral part of these financial statements

**The Village of Williamsburg
Statement of Net Position
Proprietary Fund
June 30, 2013**

	Business Type Activity
	<u>Sewer Solid Waste</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 177,564
Due To/From Other Funds	<u>77</u>
Total Current Assets	<u>177,641</u>
Non-Current Assets	
Buildings and Improvements	366,046
Accumulated Depreciation	<u>(246,257)</u>
Total Non-Current Assets	<u>119,789</u>
Total Assets	<u>\$ 297,430</u>
 <u>LIABILITIES AND NET POSITION</u>	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ <u>131</u>
Total Current Liabilities	<u>131</u>
Net Position	
Invested In Capital Assets, Net of Related Debt	119,790
Unrestricted	<u>177,509</u>
Total Net Position	<u>297,299</u>
Total Liabilities and Net Position	<u>\$ 297,430</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2013

	Business Type Activity
	<u>Sewer Solid Waste</u>
<u>OPERATING REVENUE</u>	
Charges for Services - Sewer and Solid Waste	\$ <u>8,990</u>
Total Operating Revenue	<u>8,990</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	23,469
Depreciation	<u>9,151</u>
Total Operating Expenses	<u>32,620</u>
Operating Income (Loss)	<u>(23,630)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Taxes - Other	1,935
Interest	<u>92</u>
Total Non-Operating Revenues (Expenses)	<u>2,027</u>
Income (Loss) Before Operating Transfers	<u>(21,603)</u>
<u>TRANSFERS</u>	
Operating Transfers In	70,000
Operating Transfers (Out)	<u>-</u>
Total Transfers	<u>70,000</u>
Change in Net Position	<u>48,397</u>
Total Net Position - Beginning of Year	<u>248,902</u>
Total Net Position - End of Year	<u>\$ <u>297,299</u></u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2013

	Business Type Activity
	Sewer Solid Waste
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received From User Charges	\$ 11,258
Cash Used for Suppliers of Goods and Services	(23,401)
Due To/From Other Funds (Net)	<u>(77)</u>
Net Cash Provided by Operating Activities	<u>(12,220)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Distributions of State Shared Taxes	1,935
Operating Transfers In (Out)	<u>70,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>71,935</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Income	<u>92</u>
Net Cash Provided by Investing Activities	<u>92</u>
Increase (Decrease) in Cash	59,807
Cash - Beginning of Year	<u>117,757</u>
<u>CASH - END OF YEAR</u>	\$ <u>177,563</u>
Reconciliation of Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (23,630)
Depreciation	9,151
(Increase) Decrease in:	
Accounts Receivable	2,190
Increase (Decrease) in:	
Accounts Payable	<u>68</u>
Net Cash Provided by Operating Activities	\$ <u>(12,220)</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ <u>783</u>
<u>LIABILITIES</u>	
Refunds Payable to Others	\$ <u>783</u>

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

HISTORY, MISSION AND ORGANIZATION

Village of Williamsburg (Village) was incorporated under the laws of the State of New Mexico in the 1940s. The Village operates under a Mayor-Council 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 administration services.

NOTE A - 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 governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, GASB approved Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." In June 2001, the GASB approved Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements. Village of Williamsburg implemented the provisions of the above statements effective July 1, 2003.

Financial Reporting entity

The Village 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 GASB in its Statement No. 14, as amended by GASB No. 39 (Pre-GASBS No. 61) "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. The Village does not have any component units; therefore, component units are not represented in the financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category (governmental, proprietary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions and are ancillary activities.

Measurement Focus, Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Under this basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Nonexchange transactions in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied, even if enforceable claims arise or the due date for payment occurs in a different period. Tax revenues such as gross receipts tax and gasoline tax are recognized when the underlying transaction takes place. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they became 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 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.

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

Derived Tax Revenues

are revenues recognized net of estimated refunds and uncollectable amounts in the period when the underlying exchange transaction has occurred and the resource are available. Derived tax revenues include gross receipts, gasoline and cigarette taxes.

Imposed nonexchange revenues -

property taxes are levied and collected by the Sierra County Treasurer on behalf of the Village and are recognized net of estimated refunds and estimated uncollectable amounts. The taxes are levied in November and payable in two installments, November 10 and May 10. The taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Imposed nonexchange revenue other than property taxes

are recognized in the period when an enforceable legal claim has arisen and the resources are available.

Government-mandated nonexchange transactions and voluntary nonexchange transactions

are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related cost are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Deferred inflows arise when assets are acquired by the Village before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. Deferred outflows result when Village net assets are consumed that are applicable to a future reporting period. In subsequent periods when both revenue and expense recognition criteria methods are met, or when the Village has a legal claim to the resources, the deferred inflow and deferred outflow classification is removed from the combined balance sheet and revenue is recognized. As of June 30, 2013 the Village has no "Deferred Inflows" or "Deferred Outflows".

Under the terms of grant agreements, the Village may fund certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues. 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.

All governmental and business-type activities and enterprise funds of the Village follow FASB Statements issued after 11-30-89 and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

Fund Accounting

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 capital assets and servicing of general long-term debt.

Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based on specific criteria.

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 of the general government, except those required to be accounted for in other funds.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

2. Fire Fund:

The Fire Fund accounts for the revenues from the New Mexico Fire Protection Fund that is designated for use in operation, maintenance, and betterment of the Village's volunteer fire department. Authority: Section 59-A-53-2 NMSA 1978.

3. Municipal Street Fund:

The Municipal Street Fund accounts for the receipts and expenditures of the receipts of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by State Statute. Section 7-1-6.9 and 7-13-1 to 18 NMSA.

The Village reports the following major enterprise fund:

- **Sewer Fund:**

The Sewer Fund accounts for the provision of sewage service 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):

Government funds:

- **Special Revenue Funds:**

Used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. 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.

- **Fire Protection Fund:**

This special revenue fund accounts for the expenditures of distributions by the State of New Mexico of Fire Protection funds. These funds are distributed annually and are to be expended at the direction of the Chief of the Fire Department in accordance with the provisions of the Public Purchases Act, the Fire Protection Fund Act, and the State Fire Marshal's Rules and Regulations relating to the act.

The funds shall be expended only for the maintenance of the fire department, the purchase, construction, maintenance, repair and operation of the fire station, fire apparatus and equipment, the payment of insurance premiums on fire stations, fire apparatus and equipment, and insurance premiums for injuries or death of firefighters as otherwise provided by State Statute, Sections 7-1-6.9 and 7-13-1 to 18 NMSA.

Proprietary Funds:

- **Enterprise Funds**

Enterprise funds are used to account for activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The Village has no non-major enterprise funds.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The Village also maintains and reports the following fiduciary fund.

- **Agency Fund:**

The Village accounts for resources held for others in a custodial capacity in an agency fund. The Village's Municipal Court accounts for fees collected for fines and penalties that are remitted to the Village.

Other Accounting Policies:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash includes cash on hand and amounts in demand deposits held within financial institutions.

Advance to Other Funds

Non-current portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore, are not available for appropriations.

Receivables and Payables

All trade receivables are shown net of the allowance for uncollectible accounts.

Long-Term Debt:

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances.

Vacation pay accumulates to retirement and at retirement is paid to the employees at their current salary or wage scale. Vacation leave has an established limit of not more than three weeks that may be carried over to another fiscal year but there is no limit as to the amount of unused sick leave that may be accrued.

Capital Assets

Purchased or constructed capital assets are reported at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. The government defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Computer Software is capitalized over its useful life. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The Village of Williamsburg 's capitalization policy includes all items with a unit cost in excess of \$5,000 while items on the capital asset listing that were capitalized under previous lower thresholds are not deleted from the capital asset listing until the Village disposes them in accordance with New Mexico State law.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	40
Lift Stations	40
Infrastructure	10 - 20
Machinery and Equipment	10 - 20
Vehicles	5 - 10
Computer Equipment and Software	3 - 5

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities less deferred inflows of resources and are displayed in three components in the government-wide financial statements as follows:

Invested in Capital Assets, net of Related Debt

This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Net assets are reported as restricted when constraints placed on net asset uses are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Net assets that do not meet the definition of "Restricted" or "Invested in capital assets, net of related debt."

Fund Balance Classification Policies and Procedures

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

For the classification of fund balances, the Village considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available.

The Village does not have a formal minimum fund balance policy; however, the Village follows a policy in which one twelfth of budgeted expenditures are maintained as a minimum balance in the General Fund.

Fund Equities are classified in the following five categories when appropriate:

Nonspendable

Fund balances that cannot be spent because they are either legally or contractually required to be maintained or are not in spendable form. At June 30, 2013, the Village had no nonspendable funds equities.

spendable

Fund balances includes restricted, committed, assigned and unassigned designations:

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Restricted

Amounts that can be used only for specific purposes because of constitutional provisions, enabling legislation or externally imposed constraints. At June 30, 2013, the Village has presented restricted fund balances as follows:

Restricted for:

Public Safety	\$ 33,233
Culture and Recreation	12,548
Public Works	<u>55,606</u>
 Total restricted fund balances	 \$ <u>101,387</u>

Committed

Amounts that can be used only for specific purposes because of a formal action by the Village's highest level of decision-making authority which is the Village's Trustees. As of June 30, 2013, the Village has no committed fund equities.

Assigned

Amounts stipulated by the Village Trustees; or another empowered body, intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed.

Unassigned

This is the residual fund equity classification for the general fund and at June 30, 2013 and the Village reflects unassigned fund equities of \$458,540.

Implementation of New Accounting Standards

During the fiscal year ended June 30, 2013 the Village adopted GASBS No 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The statement did not have a material impact on the Village's financial statements.

Budgetary Information

Annual budgets are adopted for all funds except agency funds. Budgets are not consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at fiscal year end. Carry over funds may be appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a fund basis. Budgets may be amended by resolution approved by the Village trustees with approval by the State Department of Finance and Administration. The Mayor may make transfers of appropriations within a fund. The legal level of budgetary control is the fund level. Increases or decreases of appropriations between fund require the approval of the governing board of Trustees.

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

Prior to June 1, the Village Mayor submits to the Village Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 1, the budget is legally enacted through passage of a resolution.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The Village Mayor is authorized to transfer budget amounts between departments within any fund. However, the Village Board of Trustees must approve any revisions that alter the total expenditures of any fund. Expenditures of the Village may not legally exceed appropriations at the level at which the budget is adopted that is expenditures in each fund may not exceed the budgeted appropriation for that fund.

Budgets are not adopted on a basis consistent with generally accepted accounting principals (GAAP). The accounting records are maintained on a non-GAAP basis of cash receipts and disbursements; consequently, certain revenues and related assets are recognized when received rather than earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the budgets are adopted on the cash basis of accounting. Budgetary comparisons presented in this report are on the non-GAAP budgetary basis.

Accrued Employee Benefits

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

Use of Estimates

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

NOTE B - CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS

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 LGIP 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 \$ 8,213 as of June 30, 2013. 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.
- (b) The State Treasurer LGIP is not Security Exchange Commission Registered. The State Treasurer is authorized to invest in 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.
- (c) The LGIP does not have unit shares. Per Section 6-10-10. (F) 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 amounts was invested.
- (d) Participation in the LGIP is voluntary.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE B - CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS - (CONTINUED)

The Village maintains cash in various financial institutions within the Village or the surrounding area as well as an investment in the New MexiGROW (LGIP).

As of June 30, 2013, the amount of cash reported on the financial statements may differ from the amount on deposit with the various institutions because of transactions in transit and outstanding items.

A reconciliation of cash and cash equivalents as shown on the Statement of Net Position for the Village follows:

<u>Depository Name</u>	<u>Interest Bearing</u>	<u>Account Type</u>	<u>Bank Balance June 30, 2013</u>	<u>Outstanding Checks</u>	<u>Reconciled Balance June 30, 2013</u>
Bank of the Southwest - Regular Chec	Yes	Checking	\$ 427,869	\$ 10,026	\$ 417,842
Citizens Bank	No	Checking	55,691	375	55,316
First Savings Bank	Yes	Savings	103,455	-	103,455
First Savings Bank	Yes	Savings	66,731	-	66,731
Citizens Bank	Yes	Savings	90,503	-	90,503
State of New Mexico	Yes	LGIP	8,213	-	8,213
Cash and cash equivalent balances as of June 30, 2013			<u>\$ 752,463</u>	<u>\$ 10,401</u>	<u>\$ 742,062</u>
Cash per financial Statements:					
Total cash to Government Funds					\$ 563,916
Total cash to Sewer Fund					177,563
Total cash to Agency Fund					783
Less Petty Cash					<u>(200)</u>
Total					<u>\$ 742,062</u>

(LGIP), a government investment pool, rated AAAM by Standard & Poor's, or rated at AAA for credit risk. Interest 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 (WAM) is a key determinant of 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, 2013

New MexiGROW LGIP	AAAM rated	\$	8,213	[59] day WAM(R); [90] day WAM(F)
-------------------	------------	----	-------	----------------------------------

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the Village. All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in accounts equal to at least 50% of the Village's carrying value of the deposits (demand and certificates of deposit). Such collateral, as permitted by the State of New Mexico is held in each respective depository bank(s) collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all the public deposits it holds with the exception of deposit insurance provided by the Federal Deposit Insurance Corporation. The accounts above are collateralized with securities held by the pledging financial institution or its agent but not in the Village's name.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE B - CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS - (CONTINUED)

Cash In Bank per June 30, 2013 statements:

	<u>Bank of the Southwest</u>	<u>Compass Bank</u>	<u>Citizens Bank</u>	<u>First Savings Bank</u>
Checking Accounts	\$ 427,869	\$ -	\$ 55,691	\$ -
Savings Accounts	-	-	-	66,731
Money Market	-	-	90,503	103,455
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deposits	427,869	-	146,195	170,187
Less FDIC - checking	(250,000)	-	(55,691)	-
Less FDIC - Time Deposits	-	-	(90,503)	(170,187)
	<hr/>	<hr/>	<hr/>	<hr/>
Uninsured Public Finds	177,869	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
50% Collateral Requirements	88,934	-	-	-
Pledged Securities	150,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Over (Under)	\$ <u>61,066</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$ 177,869 of the Village's bank balance of \$ 742,062 was exposed to custodial credit risk.

Uninsured and Collateralized	\$ -
Uninsured and Collateralized by a bank not in the Village's Name	<u>177,869</u>
Total	<u>\$ 177,869</u>

The following is a schedule of pledged collateral to secure deposits of Village of Williamsburg as of June 30, 2013:

		<u>Safekeeping Location:</u>		
		<i>Federal Home Loan Bank of Dallas</i>		
		<i>8500 Freeport Parkway South</i>		
		<i>Irving, Texas 75063-2547</i>		
<u>Description</u>		<u>Maturity Par Value</u>	<u>Maturity Date</u>	<u>Par Value / Market Value</u>
Federal Home Loan	Letter of Credit	\$ 100,000	12/02/2013	\$ 100,000
Federal Home Loan	Letter of Credit	<u>50,000</u>	06/07/2014	<u>50,000</u>
Total		<u>\$ 150,000</u>		<u>\$ 150,000</u>

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2013

NOTE B - CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS - (CONTINUED)

The Village is authorized to invest idle cash by state statutes and Village resolutions. The Village has \$ 90,503 in a savings accounts held at Citizens Bank, \$ 170,187 is deposited in savings at First Savings Bank and an additional \$ 8,213 invested with the New Mexico Government Investment Pool.

Credit Risk

The Village has adopted the state statute as their investment policy which limits investments in commercial paper to those rated "prime" by a national rating service, asset backed obligations with a maturity not to exceed five years and a rating of AAA or its equivalent, medium term notes and corporate notes with maturities not exceeding five year that are rated A or equivalent, shares of diversified investment companies that invest in U.S. fixed income securities, securities of U.S. government agencies backed by the full faith and credit of the U.S. government state-owned securities for periods not to exceed one year.

Concentration of Risk

The Village places no limit on the amount that may be invested in one issuer. The Village had no concentration of greater than 5% with any one issuer as of June 30, 2013.

Interest Rate Risk

The Village does not limit its exposure to fair value losses arising from rising interest rates other than those imposed by state statute.

NOTE C - RECEIVABLES

As of June 30, 2013, the Village had included receivables within the governmental fund types and the proprietary enterprise funds. The receivables of the governmental fund types as well as the proprietary enterprise funds consist primarily of revenues earned as of June 30, 2013, from, or payable by other governmental agencies. The amounts have been received within the following month and as a result no allowance for doubtful accounts has been recorded for intergovernmental or proprietary enterprise fund receivables.

Accounts Receivable at June 30, 2013 consisted of the following:

	Governmental Activities	Business-Type Activities
Municipal Taxes	\$ 1,791	\$ -
State Shared Taxes	3,319	-
Other Accounts Receivable	3,731	-
Franchise Fees	3,332	-
	\$ 12,173	\$ -

All receivables are from other government agencies and both Governmental and Business-Type receivables are considered 100% collectable.

No allowance for the uncollected and past due property taxes receivable are presented in the Village's funds because the amount of unpaid and past due property taxes was unavailable from the County. The Village is prohibited from writing off real property taxes.

The Village receives tax revenue that is to be due to other funds. At June 30, 2013 the General fund was in debt to the Sewer fund from June 2013 tax distributions paid in July 2013 in the amount of \$77.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 were as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 18,507	\$ -	\$ -	\$ 18,507
Infrastructure Work in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	<u>18,507</u>	<u>-</u>	<u>-</u>	<u>18,507</u>
Capital Assets, Being Depreciated				
Infrastructure	1,383,168	-	-	1,383,168
Buildings and Improvements	488,881	-	2,400	486,481
Machinery and Equipment	824,104	-	720,331	103,773
Vehicles	55,942	-	27,606	28,336
Total Capital Assets, Being Depreciated	<u>2,752,095</u>	<u>-</u>	<u>750,337</u>	<u>2,001,758</u>
Less Accumulated Depreciation				
Infrastructure	(555,144)	(57,951)	-	(613,094)
Buildings and Improvements	(269,292)	(13,222)	(2,400)	(280,113)
Machinery and Equipment	(611,064)	(10,211)	(532,482)	(88,793)
Vehicles	(51,205)	(800)	(27,606)	(24,399)
Total Less Accumulated Depreciation	<u>(1,486,705)</u>	<u>(82,183)</u>	<u>(562,488)</u>	<u>(1,006,400)</u>
Governmental Activities: Capital Assets, Net	<u>\$ 1,283,898</u>	<u>\$ (82,183)</u>	<u>\$ 187,849</u>	<u>\$ 1,013,866</u>
Depreciation expense for governmental activities for the Year was				<u>\$ 82,183</u>

Depreciation expense was charged to governmental functions as follows:

General Government:		
Judicial	\$ 3,078	
Financial and Administration	5,797	
Total General Government	<u>8,876</u>	\$ 8,876
Public Safety:		
Fire Protection	6,662	
Health	-	
Total Public Safety	<u>6,662</u>	6,662
Public Works:		
Highway and Streets	59,040	
Total Public Works	<u>59,040</u>	59,040
Cultural and Recreation:		
Miscellaneous	7,605	
Total Cultural and Recreation	<u>7,605</u>	7,605
Total Depreciation Expense as charged to Governmental functions		<u>\$ 82,183</u>

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE D - CAPITAL ASSETS - (CONTINUED)

Proprietary fund capital activity for the year ended June 30, 2013 were as follows:

Sewer and Solid Waste	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Transfer/ Retirements</u>	<u>Balance June 30, 2013</u>
Village Lift Stations	\$ 366,046	\$ -	\$ -	\$ 366,046
Total	<u>366,046</u>	<u>-</u>	<u>-</u>	<u>366,046</u>
Less Accumulated Depreciation				
Village Lift Stations	(237,105)	(9,151)	-	(246,257)
Total Less Accumulated Depreciation	<u>(237,105)</u>	<u>(9,151)</u>	<u>-</u>	<u>(246,257)</u>
Sewer and Solid Waste Capital Assets, Net	<u>\$ 128,941</u>	<u>\$ (9,151)</u>	<u>\$ -</u>	<u>\$ 119,789</u>
Depreciation Expense for Water & Sewer Activities for the Year was				<u>\$ 9,151</u>

NOTE E - CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt during the fiscal year:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Amount Due in One Year</u>
Compensated Absences	\$ <u>1,104</u>	\$ <u>2,156</u>	\$ <u>1,489</u>	\$ <u>1,770</u>	\$ <u>-</u>
NM Finance Authority	\$ <u>41,306</u>	\$ <u>236</u>	\$ <u>41,542</u>	\$ <u>-</u>	\$ <u>-</u>

The Village entered into a loan agreement with the New Mexico Finance Authority (NMFA) to finance the purchase of a fire truck on May 26, 2006. The original amount of the loan was \$ 100,000. The note is payable from pledged State of New Mexico fire allotment funds. The loan agreement provides for NMFA to intercept the annual debt service payment from the distribution of the Fire Protection Fund Revenues. The interest rate of this note varies from 3.14% to 3.63% and was programed to matures May 1, 2016.

Due to the Village's decision to transfer the Fire department to the City of Truth or Consequences the note was paid off August 29, 2012. NMFA settlement documents provide the following:

Outstanding Principal 7/1/13	\$ 41,306
Interest	187
Administration Fee	<u>49</u>
Total	41,542
NMFA Reserve account 7/31/12	<u>10,643</u>
Total Distributed by Village	<u>\$ 30,899</u>

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE F - PERA PENSION PLAN

The Village has three employees who 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-employee 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 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.

The municipal general plan member is required to contribute 9.15% of her gross salary. The Village is required to match this contribution. The contribution requirements of plan members and the Village are established under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village contributions to PERA for the years ended June 30, 2013, 2012 and, 2011 are \$ 3,453, \$ 2,549 \$ 3,078, respectively.

NOTE G - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has joined with other local governments and the State of New Mexico to participate in the New Mexico Self-Insurers Fund (NMSIF). The fund is a public entity risk pool operating as a common risk management and insurance program. Coverage provided for includes general and auto liability; errors and omissions; volunteer fire fighters; civil rights; inland marine; and workers compensation.

The Village pays an annual premium of \$28,400 to NMSIF for its general insurance coverage. The information from the NMSIF provides that NMSIF will be self-sustaining through member premiums and will reinsure through other companies such as captive mutuals as dictated by the NMSIF Board of Trustees.

NOTE H - COMMITMENTS AND CONTINGENCIES

Grant Audits:

The Village receives federal and state grants for specific purposes that are subject to review and audit by the funding agencies. Such audits could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate agency. Management believes such disallowances, if any, will not be significant for the year ended June 30, 2013.

Consultations and Updates from Village Counsel:

Mishler et al. v. Village of Williamsburg, Case No. CV-2012-120

The Mishler case involved a suit for declaratory relief and a motion for preliminary injunction brought by several citizens against the Village. The motion asserted that Village residents would not be protected by the decision to turn over management of the fire hall to Truth or Consequences. On November 19, 2012 Judge Kase found the Village received adequate fire protection from the City of Truth or Consequences and denied the motion.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

NOTE H - COMMITMENTS AND CONTINGENCIES - (CONTINUED)

The complaint for declaratory relief alleged the Village's "closure" of the fire hall violated an existing ordinance, due process rights, and violated statutory procedures for enacting ordinances. The complaint does not demand monetary damages.

Although initially set for trial in March, it was rescheduled until late September 2012 so the Village could engage the discovery, including written discovery and depositions. As was expected, the discovery process resulted in several Plaintiffs withdrawing. Additionally, only four of the thirteen remaining Plaintiffs attended the depositions.

After reaching the settlement agreement with the remaining Plaintiffs, dismissal pleadings with the Court and Judge Kase dismissed the lawsuit.

Gannett Fleming Contracts

In October of 2012 the Village requested attorneys to analyze several contracts with Gannett Fleming regarding enforceability, and potential legal remedies available. Ultimately, the Village chose to terminate the contracts and not to pursue litigation. The Village Attorney and Gannett Fleming's local counsel are currently preparing a termination agreement. As of the date of this statement there has been no formal termination agreement executed and there is no pending litigation between the Village and Gannett Fleming.

NOTE I - PROPERTY TAXES

Sierra County collects Village of Williamsburg's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the Sierra County Treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Thirty days later, the bill becomes delinquent and the county treasurer assesses penalties and interest. Sierra County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund. Property tax revenues amount to \$9,382 of which \$1,194 was collections of past due amounts. Each month the county treasurer remits to the Village the taxes collected of current as well as past due taxes. The amount of taxes receivable was requested of, but not provided by the Sierra County Treasurers office as a result no allowance for uncollected and past due property taxes receivable is presented in the Village's funds.

NOTE J - TRANSFERS

Transfers are used to move unrestricted revenues collected in the general fund and enterprise funds to finance various activities/programs accounted for in the other funds in accordance with budgetary authorization, and move revenues from the fund that the statute budget requires to collect them to the fund that statute or budget requires to expend them.

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds with expenditures in excess of appropriations. Additionally 6-6-6 NMSA 1978 prohibits all officials and governing authorities from approving claims in excess of the approved budget. Any official or governing body allowing such an expenditure in excess of approved budgets shall be personally liability for making or allowing such expenditures.

The Village made two transfers for the fiscal year ending June 30, 2013. A \$70,000 transfer from the General Fund to the Sewer fund at the direction of the Village Trustees to increase the Sewer fund balances and \$ 5,000 to the Flood Fund to meet cash needs generated by Summer rains.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2013

NOTE K - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Individual Funds with excess expenditures over appropriations.

<u>Fund</u>	<u>Budgeted Expenses</u>	<u>Actual Expenses</u>	<u>Expenditures Over Budget</u>
General Fund	\$ 193,900	\$ 279,102	\$ 85,202
Fire Fund	62,096	138,852	76,756
Municipal Street Fund	2,500	6,018	3,518
Emergency Medical Services Fund	1,510	3,328	1,818
Lodgers Tax Fund	2,000	3,557	1,557
Sewer Fund	20,000	23,532	3,532
Total	\$ <u>282,006</u>	\$ <u>454,388</u>	\$ <u>172,382</u>

NOTE L - JOINT POWERS AGREEMENTS

1 The Village receives police protection under a Joint Powers Agreement (JPA) with the City of Truth or Consequences (City) that will terminate in October 2013. Under the terms of this agreement the Village is to pay a yearly fee to the City of \$ 20,000 from the General Fund and approximately \$ 20,000 that shall come from the State Law Enforcement Protection Fund (LEPF).

The City agrees not to purchase vehicles out of the LEPF but what purchases they do make out of the LEPF will

- Be in accord with the State Procurement Act.
- Be eligible under the LEPF guidelines.
- Will remain the property of the City even upon completion/termination of this JPA.

The Village may terminate this JPA upon (30) days notice to the other party otherwise the term shall be for a period of (3) years beginning on October 14, 2010.

2 The Village receives dispatch services under a Joint Powers agreement (JPA) with the Sierra County Regional Dispatch Authority (SCRDA) under a perpetual, unless terminated, term. The JPA is authorized by Section 11-1-1 et seq. NMSA 1978 and the Enhanced 911 Act, being Section 63-9 D-1 et seq. SCRDA shall be a separate legal entity and empowered to exercise the common power to provide a communication/dispatch center to serve the Emergency Services Located in Sierra County, to include but not limited to: Law Enforcement, Fire, EMS, and after hours utilities to the State, County and Municipalities within.

The County of Sierra shall act as the fiscal agent for the SCRDA and shall collect all revenues accruing to and make all disbursements for the SCRDA including a monthly expense and revenue report.

The Village of Williamsburg will be responsible for a set baseline amount starting FY 2010-2011 of \$ 25,000. This baseline amount will be paid quarterly due on the 15th day of the month beginning July 15th, then each quarter after on September 15th, December 15th, final payment due on March 15th.

- Operating funds of the SCRDA shall be held in separate accounts and not commingled.
- SCRDA may invest funds in accordance with applicable laws governing public funds.
- The Village shall not have any liability to pay debts or obligations incurred by the SCRDA unless specifically agreed to.
- Funds received by the SCRDA shall be strictly accounted for and used for uses described in the JPA.
- The JPA is subject to the provisions of the Procurement Code and the terms of the Bateman Act apply.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

NOTE L - JOINT POWERS AGREEMENTS - (CONTINUED)

The SCRDA shall maintain adequate and correct accounts of its funds, properties and business transactions. All accounts shall be open for inspection at any reasonable time by the Village or their accountants or agents, and shall submit a copy of a required annual audit to the Village.

3 Pursuant to the authority in the Joint Powers Agreement Act (11-1-1 et. Seq. NMSA 1978) and the Hospital Funding Act (Section 4-48B-9 NMSA) the Village entered into Joint Powers agreement with the County of Sierra, The City of Truth or Consequences and the City of Elephant Butte to own, lease, operate and maintain a hospital.

The purpose of this agreement is to provide adequate and appropriate hospital facilities for the citizens and visitors of Sierra County and for providing flexibility in financing the acquisition, ownership, construction, operation and maintenance of necessary hospital facilities and to minimize the cost of contracting new hospital facilities, and maintaining adequate hospital facilities and to avoid unnecessary duplication of expenditure of public funds for healthcare facilities and services.

All records are to be maintained required by state law or regulation and shall be subject to disclosure as provided by the Inspection of Public Records Act Section 14-2-1 NMSA 1978.

The Village has a funding obligation to provide 1/4% Gross Receipts Tax, pledged for operations during the term of loan. The pledges stipulated in the agreement shall not exceed 20 years.

Based on this agreement the Village of Williamsburg owns 5% of all real property purchased or acquired under the terms of the agreement but may be adjusted with respect to any participating party. It is agreed that strict accountability will be required for all receipts and disbursements during the agreement and any party may unilaterally withdraw from participation after a written 90 day notice to the other parties and will continue indefinitely until termination.

NOTE N - SUBSEQUENT EVENTS

The Village management evaluated subsequent events through November 18, 2013 and noted nothing that occurred or was expected to occur that would have a significant impact on the financial position or results of operations of the Village before November 18, 2013.

NOTE O - RELATED PARTY TRANSACTIONS

The Village management did not identify any dealings with individuals, entities or organizations considered as related to the Village of Williamsburg or the management of the Village.

SUPPLEMENTARY INFORMATION

The Village of Williamsburg
Special Revenue Funds
June 30, 2013

Non-Major Funds

Correction Fund:

This fund accounts for collection of fines which are used to supplement the cost of prisoner housing. This fund was created by the authority of State Statute 29-13-1 NMSA 1978.

Emergency Medical Services Fund:

This fund accounts for State and County proceeds provided for the operations of the Village's emergency services. The authority for this fund is Sections 24-10A-1 to 10 NMSA 1978.

Law Enforcement Fund:

This Fund accounts for the expenditure of funds received from the State of New Mexico Law Enforcement Protection fund as provided by a Joint Powers Agreement between the Village of Williamsburg and the City of Truth or Consequences. This fund was created by the authority of state grant provisions, Section 18-13-3 NMSA 1978.

Lodgers Tax Fund:

This fund accounts for receipt and disbursement of Lodgers' tax which is to be used for cultural and recreational purposes that attract and support tourism for the Village. Authority Section 3-38-13 to 24 NMSA 1978.

Recreation Fund:

This fund accounts for the operations and maintenance of recreation facilities owned by the Village. Funding for this fund is provided by a specific tax on cigarette sales. Section 7-12-15 NMSA 1978.

Flood Control Fund:

This fund accounts for maintenance and improvement of flood control. Financing is provided by the Water Research, Conservation and Development Act. Section 75-2-1 NMSA 1978.

The Village of Williamsburg
Combining Balance Sheet
Non Major Special Revenue Funds
June 30, 2013

	<u>Corrections</u>	<u>Emergency Medical Services</u>	<u>Law Enforcement</u>	<u>Lodgers Tax</u>	<u>Recreation</u>	<u>Flood Services</u>	<u>Total</u>
ASSETS							
Cash & Cash Equivalents	\$ 17,654	\$ 49	\$ 1,054	\$ 11,507	\$ 1,041	\$ 14,476	\$ 45,781
Total Assets	\$ 17,654	\$ 49	\$ 1,054	\$ 11,507	\$ 1,041	\$ 14,476	\$ 45,781
 LIABILITIES AND FUND BALANCES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
 FUND BALANCES; Spendable							
Restricted for:							
Public Safety	17,654	49	1,054	-	-	14,476	33,233
Culture and Recreation	-	-	-	11,507	1,041	-	12,548
Total Liabilities and Fund Balances	17,654	49	1,054	11,507	1,041	14,476	45,781
	\$ 17,654	\$ 49	\$ 1,054	\$ 11,507	\$ 1,041	\$ 14,476	\$ 45,781

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Non Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2013

	<u>Corrections</u>	<u>Emergency Medical Services</u>	<u>Law Enforcement</u>	<u>Lodgers Tax</u>	<u>Parks and Recreation</u>	<u>Flood Services</u>	<u>Total</u>
REVENUES							
Taxes - Other	\$ -	\$ -	\$ -	\$ 2,021	\$ -	\$ -	\$ 2,021
Intergovernmental	-	-	20,000	-	-	-	20,000
Charges for Services	1,440	-	-	-	-	-	1,440
Interest	10	-	11	11	4	4	40
Total Revenues	<u>1,450</u>	<u>-</u>	<u>20,011</u>	<u>2,032</u>	<u>4</u>	<u>4</u>	<u>23,501</u>
EXPENDITURES							
Current:							
Public Safety	-	3,196	18,990	-	-	-	22,185
Cultural and Recreation	-	-	-	3,557	-	-	3,557
Total Expenditures	<u>-</u>	<u>3,196</u>	<u>18,990</u>	<u>3,557</u>	<u>-</u>	<u>-</u>	<u>25,742</u>
Excess (Deficiency) - Revenues over Expenditures	<u>1,450</u>	<u>(3,196)</u>	<u>1,022</u>	<u>(1,525)</u>	<u>4</u>	<u>4</u>	<u>(2,242)</u>
OTHER FINANCING SOURCES							
Transfers In (Out)	-	-	-	-	-	5,000	5,000
Total other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balances	<u>1,450</u>	<u>(3,196)</u>	<u>1,022</u>	<u>(1,525)</u>	<u>4</u>	<u>5,004</u>	<u>2,758</u>
Fund Balance June 30, 2012	<u>16,204</u>	<u>3,245</u>	<u>32</u>	<u>13,032</u>	<u>1,037</u>	<u>9,472</u>	<u>43,022</u>
Fund Balance June 30, 2013	<u>\$ 17,654</u>	<u>\$ 49</u>	<u>\$ 1,054</u>	<u>\$ 11,507</u>	<u>\$ 1,041</u>	<u>\$ 14,476</u>	<u>\$ 45,781</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Corrections Fund

For the Fiscal Year Ended June 30, 2013

	<u>Original Approved Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Charges for Services	\$ 600	\$ 600	\$ 1,440	\$ 840
Interest	10	10	10	-
Total Revenues	<u>610</u>	<u>610</u>	<u>1,450</u>	<u>840</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	600	600	-	600
Total Expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	10	1,450	1,440
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	10	10	\$ 1,450	\$ 1,440
Budgeted Cash Carryover	(10)	(10)		
Total	<u>\$ -</u>	<u>\$ -</u>		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 1,450
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	<u>\$ 1,450</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Miscellaneous	10	10	-	(10)
Total Revenues	1,510	1,510	-	(1,510)
<u>EXPENDITURES</u>				
Current:				
Public Safety	1,510	1,510	3,328	(1,818)
Total Expenditures	1,510	1,510	3,328	(1,818)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,328)	(3,328)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	\$ (3,328)	\$ (3,328)
Budgeted Cash Carryover	-	-		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (3,328)
Adjustments for Revenue Accruals	132
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ (3,196)

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Law Enforcement Fund
For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Interest	10	10	11	1
Total Revenues	20,010	20,010	20,011	1
<u>EXPENDITURES</u>				
Current:				
Public Safety	20,000	20,000	18,990	1,010
Total Expenditures	20,000	20,000	18,990	1,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	10	1,022	1,012
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	10	10	\$ 1,022	\$ 1,012
Budgeted Cash Carryover	(10)	(10)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 1,022
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ 1,022

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Lodgers Tax Fund

For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Other	\$ 2,300	\$ 2,300	\$ 2,021	\$ (279)
Interest	10	10	11	1
Total Revenues	2,310	2,310	2,032	(278)
<u>EXPENDITURES</u>				
Current:				
Cultural and Recreation	2,000	2,000	3,557	(1,557)
Total Expenditures	2,000	2,000	3,557	(1,557)
Excess (Deficiency) of Revenues Over (Under) Expenditures	310	310	(1,525)	(1,835)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	310	310	\$ (1,525)	\$ (1,835)
Budgeted Cash Carryover	(310)	(310)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (1,525)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ (1,525)

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Parks and Recreation Fund
For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - State Shared	\$ 700	\$ 700	\$ -	\$ (700)
Interest	10	10	4	(6)
Miscellaneous	3,000	3,000	-	(3,000)
Total Revenues	3,710	3,710	4	(3,706)
<u>EXPENDITURES</u>				
Current:				
Cultural and Recreation	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,710	1,710	4	(1,706)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	1,710	1,710	\$ 4	\$ (1,706)
Budgeted Cash Carryover	(1,710)	(1,710)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 4
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ <u>4</u>

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Flood Prevention Fund
For the Fiscal Year Ended June 30, 2013

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 5,010	\$ 5,010	\$ -	\$ (5,010)
Interest	-	-	4	4
Total Revenues	5,010	5,010	4	(5,006)
<u>EXPENDITURES</u>				
Current:				
Public Works	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	10	4	(6)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	5,000	5,000
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	5,000	5,000
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	10	10	\$ 5,004	\$ 4,994
Budgeted Cash Carryover	(10)	(10)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 5,004
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ 5,004

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Enterprise Fund
June 30, 2013

The Village operates one enterprise fund. The Sewer Fund is used to account for the receipt of Sewer and Solid Waste from the City of Truth or Consequences under an agreement entered into in June of 1975.

The Village of Williamsburg establishes the sewage rates that will be sufficient to pay the operational costs of the wastewater treatment plant that is owned and operated by the City of Truth or Consequences who bills and collects these fees from the Village residents monthly. Under the terms of this agreement the Village will pay the City for all maintenance, repairs, replacements and extensions performed by the City. The Village will also pay its pro-rata share of the operation of the wastewater treatment plant.

This pro-rata share is computed on the gallonage contributed by the wastewater collection facility of the Village to the wastewater treatment plant.

The City remits to the Village the balance of the fees charged and collected after deducting the costs of operation as outlined in the agreement.

The Village of Williamsburg
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)
Sewer Fund

For the Fiscal Year Ended June 30, 2013

	<u>Original Approved Budget</u>	<u>Final Approved Budget</u>	<u>Actual</u>	<u>Budget Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes - State Shared	\$ -	\$ -	\$ 1,935	\$ 1,935
Charges for Services	20,000	20,000	11,258	(8,742)
Interest	-	-	92	92
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>13,285</u>	<u>(6,715)</u>
<u>EXPENDITURES</u>				
Current:				
Public Works	<u>20,000</u>	<u>20,000</u>	<u>23,532</u>	<u>(3,532)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>23,532</u>	<u>(3,532)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(10,248)	(10,248)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	70,000	70,000
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	\$ <u>59,752</u>	\$ <u>59,752</u>
Budgeted Cash Carryover	-	-		
Total	<u>\$ -</u>	<u>\$ -</u>		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 59,752
Adjustments for Revenue Accruals	(2,204)
Adjustments for Expenditures Accruals	(9,151)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (GAAP Basis)	\$ 48,397

The notes to the financial statements are an integral part of these financial statements

The Village of Williamsburg
Schedule of Changes in Assets and Liabilities
Agency Fund
June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS</u>				
Cash In Bank	\$ 756	\$ 657	\$ (630)	\$ 783
	<u>\$ 756</u>	<u>\$ 657</u>	<u>\$ (630)</u>	<u>\$ 783</u>
 <u>LIABILITIES</u>				
Due to Others Court	756	657	(630)	783
	<u>\$ 756</u>	<u>\$ 657</u>	<u>\$ (630)</u>	<u>\$ 783</u>

The notes to the financial statements are an integral part of these financial statements

Charles L. Henry

Certified Public Accountant

666 Cook Avenue

Raton, New Mexico 87740

(505) 681-9762

**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 Balderas
State Auditor of the State of New Mexico
Board Members of the Village of Williamsburg**

Mr. Balderas and Members of the Board

I have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* Issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Village of Williamsburg (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 thereon dated November 18, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies - 2008-01, 2010-09, 2013-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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.

The Village's Response to Findings

The Village's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Village'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



Charles L. Henry, CPA
Raton, New Mexico
November 18, 2013

The Village of Williamsburg
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2013

CURRENT STATUS OF PRIOR YEAR FINDINGS:

2008-01 - Actual Expenditures Exceeded Amount Budgeted:	Repeated
2010-04 - Violation of the Village Procurement Code:	Resolved
2010-06 - Improper Use of Fire Protection Fund Proceeds:	Resolved
2010-07 - Undocumented Requests of Reimbursement of Fire Allotment Distributions:	Resolved
2010-08 - Capital Asset Inventory List for the Village and the Fire Department :	Resolved
2010-09 - Not Maintaining Individual Fund Balances:	Repeated
2010-11 - Improper preparation of quarterly payroll tax reports:	Resolved
2010-12 - Inadequate Filing System:	Resolved
2011-01 - Unbudgeted Expenditures Contrary to Contract Terms:	Resolved
2012-01 - Engaging Services Without a Signed Contract and Lack of Internal Control over Disbursements:	Resolved
2012-02 - Trading Fire Department Assets:	Resolved
2012-03 - Improper use of Fire Department Fuel Cards:	Resolved

2008-01 - Actual Expenditures Exceeded Amount Budgeted: -- Significant Deficiency and Compliance

Condition

The Village exceeded its budgeted expenditures in 6 funds. The General Fund by \$ 85,202, Fire Fund by \$ 35,450, Municipal Street Fund by \$ 3,518, Emergency Medical Services Fund by \$ 1,818, Lodgers Tax Fund by \$ 1,557 and Sewer Fund by \$ 3,532.

Criteria

Section 6-6-6, NMSA states the following:

When any budget for a local public body has been approved and received by a local public body, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and no official shall pay any check or warrant in excess thereof, and the allowances or claims or checks or warrants so allowed or paid shall be a liability against the officials so allowing or paying those claims or checks or warrants, and recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.

Effect

Compliance with State Statute has not been followed. This action could subject those responsible to the penalty provisions described above.

The Village of Williamsburg
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2013

CURRENT STATUS OF PRIOR YEAR FINDINGS:

2008-01 - Actual Expenditures Exceeded Amount Budgeted: – Significant Deficiency and Compliance -
Continued

Cause

The Village incurred unusual expenses with regard to the transfer of the Fire Department and related emergency services to the City of Truth or Consequence as well as large and unplanned legal fees generated in defending the Village from attempts to obstruct the Fire Department transfer as well as costs associated with questions and concerns over contracts between the Village and an engineering firm entered into by a previous administration. These unusual expenditures as well as a lack of knowledge of the requirements for making budget adjustments and related transfers generated the differences.

Recommendation

The Village Clerk should discuss with the Local Government Division of the Department of Finance and Administration the proper way to make budget adjustments and transfers as well as inquire about classes dealing with budget issues and requirements either through Department of Finance and Administration or perhaps New Mexico Municipal League.

Management Response

The Village Clerk was not clear on the procedures of making budget adjustments and related transfers. Due to the transfer of the Village Fire Department to the City of TorC and the unbudgeted expenditures for legal fees relating to the transfer expenditures made were not properly budgeted. This condition is now corrected.

The Village of Williamsburg
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2013

CURRENT STATUS OF PRIOR YEAR FINDINGS:

2010-09 - Not Maintaining Individual Fund Balances: -- Significant Deficiency

Condition

The Village operates 11 funds out of two checking accounts. The cash balances of the Village are maintained for each cash account, but the portion for each fund within the bank balance is not. The Village does not maintain individual fund balances.

Criteria

Section 6-6-3 NMSA 1978 requires that every local public body shall keep all the books, accounts, and records of their respective offices in the form prescribed by the Local Government Division (LGD) and make all reports as prescribed by the LGD. Generally Accepted Accounting Principles require that funds be properly maintained and reconciled for proper financial reporting.

Effect

The individual fund balances are not readily available. Fund Information generated for financial reports and the budgetary process is not accurate and contributes to the budgetary finding 2008 - 01.

Cause

The software package is not set up to properly account for the cash disbursed to various funds and the prior Village Clerks were not adequately educated or trained in the requirements of fund accounting.

Recommendation

The accounting software package be programed to require that all disbursements be assigned to a specific fund. The monthly balances provided for each fund will be totaled to reflect the balance in cash to be reconciled monthly for each bank account.

Management's Response

The Village accounting software is not properly set up to maintain separation within individual cash so when posting errors are corrected or adjusting entries are determined the effect to the cash balances related to the funds was not properly considered. The Village is now in the process of making changes to the software to eliminate this problem.

The Village of Williamsburg
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2013

CURRENT YEAR FINDINGS:

2013-01 - Making Correcting Journal and Adjusting Entries Improperly – Significant Deficiency

Condition

During the year the Village made 34 adjusting entries totaling \$ 113,531. Many of these entries were correcting entries for various posting errors, two reflected fund transfers amounting to \$ 85,384 and transfer for \$ 5,000 that was itself adjusted twice.

Criteria

Section 6-6-3 NMSA 1978 requires that every local public body shall keep all the books, accounts, and records of their respective offices in the form prescribed by the Local Government Division. Generally Accepted Accounting Principles as well as prudent business practices require that correcting and adjusting entries be correctly made.

Effect

The Village accounts affected by the journal entries as well as the related fund balances were not accurate.

Cause

The Village Clerk understood that a posting error was made and the general adjustment required to make the corrections, but she did not understand how fund balances were impacted by the adjustments made.

Recommendation

The Village Clerk has good accounting skills, but needs to learn analysis techniques to apply to entries made in error to properly determine the proper adjusting entry as well as a better understanding of fund accounting.

Management's Response

The Village has made changes in the posting process that will correct this finding. Additional training of the Village Clerk will insure that corrections and journal entries will be made correctly.

The Village of Williamsburg
Exit Conference
For the Fiscal Year Ended June 30, 2013

Exit Conference – Village of Williamsburg

The exit conference was held November 18, 2013 in the Village offices in a properly advertised closed executive session. It was attended by the following individuals:

From Village of Williamsburg

Carol Schuiling	Mayor
Debbie Stubblefield	Mayor - Pro-Tem
Majorie Powey	Trustee
Ron Hoskins Sr.	Trustee
Linda S. Bauer	Clerk - Treasurer

The conference was also attended by:

Charles Henry, CPA

Financial Statement Preparation

Preparation of financial statements is the responsibility of management. Although, Village of Williamsburg's personnel provided significant assistance, the preparation and related notes to the Financial Statements were prepared by Charles L. Henry, CPA.

