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STATE OF NEW MEXICO

Village of Williamsburg

Independent Accountant's Report

For the Fiscal Year Ended June 30, 2014

The Village of Williamsburg

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The Village of Williamsburg

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The Village of Williamsburg
Official Roster
June 30, 2014

Elected Officials

<u>Name</u>	<u>Title</u>
Debbie Stubblefield	Mayor
Majorie Powey	Mayor - Pro-Tem
Ron Hoskins Sr.	Trustee
Guillermo Hernandez	Trustee
Wanpen Root	Trustee

Administrative Staff

Linda S. Bauer	Clerk - Treasurer
Lisa L. Mattingly	Deputy Clerk

Charles L. Henry

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INDEPENDENT AUDITOR'S REPORT

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

Report on the 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 enterprise fund of the Village of Williamsburg (Village), as of and for the year ended June 30, 2014, 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 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, 2014, 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 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, 2014, 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 fund of the Village as of as of June 30, 2014, 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.

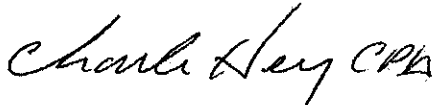
Other Information

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 schedule listed as "Other Supplemental Information" in the table of contents is presented for purposes of additional analysis and is 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 schedule is 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 7, 2014 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.



Charles L. Henry, CPA
Raton, New Mexico
November 7, 2014

The Village of Williamsburg
Government-wide Financial Statements
Statement of Net Position
June 30, 2014

ASSETS	Governmental Activities	Business-Type Activities	Primary Government Total
Current Assets			
Cash and Cash Equivalents	\$ 553,008	\$ 191,104	\$ 744,111
Accounts Receivable and Prepaid Amounts	706	1,761	2,468
Taxes Receivable	6,906	-	6,906
Total Current Assets	<u>560,620</u>	<u>192,865</u>	<u>753,486</u>
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	<u>(1,084,896)</u>	<u>(255,408)</u>	<u>(1,340,304)</u>
Total Noncurrent Assets	<u>935,369</u>	<u>110,638</u>	<u>1,046,008</u>
TOTAL ASSETS	<u>1,495,990</u>	<u>303,503</u>	<u>1,799,493</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	2,722	61	2,784
Taxes Payable	696	-	696
Total Current Liabilities	<u>3,418</u>	<u>61</u>	<u>3,480</u>
Long-Term Liabilities			
Compensated Absences	<u>2,075</u>	<u>-</u>	<u>2,075</u>
Total Long-Term Liabilities	<u>2,075</u>	<u>-</u>	<u>2,075</u>
TOTAL LIABILITIES	<u>5,493</u>	<u>61</u>	<u>5,555</u>
NET POSITION			
Net Investment in Capital Assets	935,369	110,638	1,046,008
Restricted for:			
Public Safety	27,875	-	27,875
Culture and Recreation	11,706	-	11,706
Public Works	60,456	-	60,456
Unrestricted	<u>455,090</u>	<u>192,804</u>	<u>647,894</u>
TOTAL NET POSITION	<u>\$ 1,490,496</u>	<u>\$ 303,442</u>	<u>\$ 1,793,939</u>

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, 2014

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	\$ 267,912	\$ 680	\$ -	\$ -	\$ (267,232)	\$ -	\$ (267,232)
Public Safety	42,851	-	20,000	-	(22,851)	-	(22,851)
Public Works	3,758	-	-	-	(3,758)	-	(3,758)
Cultural And Recreation	4,898	-	-	-	(4,898)	-	(4,898)
Total Governmental Activities	319,418	680	20,000	-	(298,738)	-	(298,738)
Business - Type Activities							
Water Utility Services	16,354	21,201	-	-	-	4,847	4,847
Total Business - Type Activities	16,354	21,201	-	-	-	4,847	4,847
Total Primary Government	\$ 335,772	\$ 21,881	\$ 20,000	\$ -	\$ (298,738)	\$ 4,847	\$ (293,891)

General Revenues and Transfers

Taxes				
Property Taxes Levied		\$ 9,578	\$ -	\$ 9,578
Gross Receipts Tax		41,210	1,108	42,318
Franchise Taxes		8,927	-	8,927
Gasoline Tax		16,982	-	16,982
Other Taxes		10,484	-	10,484
Grants and Programs Unrestricted		118,873	-	118,873
Licenses & Permits		1,592	-	1,592
Miscellaneous		9,207	-	9,207
Investment Earnings		359	188	547
Operating Transfers (Net)		-	-	-
Total General Revenues and Transfers		217,212	1,296	218,509
Changes in Net Position		(81,526)	6,143	(75,383)
Net Position Beginning		1,572,023	297,299	1,869,321
Net Position Ending		\$ 1,490,496	\$ 303,442	\$ 1,793,939

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, 2014

	General Fund	Municipal Street Fund	Nonmajor Governmental Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 452,308	\$ 60,063	\$ 40,636	\$ 553,008
Intergovernmental Receivables	-	706	-	706
Taxes Receivable	6,906	-	-	6,906
Total Assets	\$ 459,215	\$ 60,769	\$ 40,636	\$ 560,620
 <u>LIABILITIES</u>				
Accounts Payable	\$ 1,354	\$ 313	\$ 1,056	\$ 2,722
Accrued Payroll and Benefits	696	-	-	696
Total Liabilities	2,050	313	1,056	3,418
 <u>FUND BALANCES</u>				
Restricted for:				
Public Safety	-	-	27,875	27,875
Culture and Recreation	-	-	11,706	11,706
Public Works	-	60,456	-	60,456
Fire Protection	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service Expenditures	-	-	-	-
Unassigned	457,165	-	-	457,165
Total Fund Balances	457,165	60,456	39,581	557,202
Total Liabilities and Fund Balances	\$ 459,215	\$ 60,769	\$ 40,636	\$ 560,620

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, 2014

Fund Balance of Governmental Funds	\$	557,202
 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>(1,084,896)</u>	935,369
 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.		
Current Portion of Long-Term Debt	-	
Long-Term Debt	-	
Compensated Absences	<u>(2,075)</u>	<u>(2,075)</u>
 Net Position of Governmental Activities	 \$	 <u><u>1,490,496</u></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, 2014

	General Fund	Municipal Street Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES				
Taxes - Property	\$ 9,578	\$ -	\$ -	\$ 9,578
Taxes - State Shared	58,192	-	-	58,192
Taxes - Franchise	8,927	-	-	8,927
Taxes - Other	-	8,588	1,896	10,484
Intergovernmental - State Sources	118,873	-	20,000	138,873
Charges for Services	-	-	680	680
Interest	319	21	20	359
Licenses and Permits	1,592	-	-	1,592
Miscellaneous	9,207	-	-	9,207
Total Revenues	206,688	8,608	22,596	237,892
EXPENDITURES				
Current				
General Government	189,110	-	-	189,110
Public Safety	16,852	-	25,999	42,851
Public Works	-	3,758	-	3,758
Cultural and Recreation	2,151	-	2,747	4,898
Total Expenditures	208,113	3,758	28,747	240,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,425)	4,850	(6,151)	(2,725)
OTHER FINANCING SOURCES (USES)				
Operating Transfers in	53	-	-	53
Operating Transfers (Out)	-	-	(53)	(53)
Total Other Financing Sources (Uses)	53	-	(53)	-
Net Change in Fund Balance	(1,372)	4,850	(6,203)	(2,725)
Fund Balance, Beginning of Year	458,537	55,606	45,784	559,927
Total Fund Balance - End of Year	\$ 457,165	\$ 60,456	\$ 39,581	\$ 557,202

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, 2014

Net Change in Fund Balances - Governmental Funds	\$	(2,725)
 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	None	
Less Current Year Depreciation	<u>(78,496)</u>	(78,496)
 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>(305)</u>	<u>(305)</u>
 Change in Net Assets of Governmental Activities	 \$	 <u><u>(81,526)</u></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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Property	\$ 8,700	\$ 9,200	\$ 10,040	\$ 840
Taxes - State Shared	77,800	59,600	54,449	(5,151)
Taxes - Franchise	11,900	13,000	12,260	(740)
Taxes - Other	15,000	19,500	-	(19,500)
Intergovernmental	106,035	106,035	118,873	12,838
Interest	500	500	319	(181)
Licenses and Permits	1,500	1,000	1,592	592
Miscellaneous	12,500	13,500	12,521	(979)
Total Revenues	233,935	222,335	210,053	(12,282)
<u>EXPENDITURES</u>				
Current:				
General Government	196,900	181,400	201,300	(19,900)
Public Safety	30,000	30,000	16,891	13,109
Cultural and Recreation	7,000	10,000	2,235	7,765
Total Expenditures	233,900	221,400	220,426	974
Excess (Deficiency) of Revenues Over (Under) Expenditures	35	935	(10,374)	(11,309)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	53	53
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	53	53
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	35	935	\$ (10,321)	\$ (11,256)
Budgeted Cash Carryover	(35)	(935)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (10,321)
Adjustments for Revenue Accruals	(3,364)
Adjustments for Expenditures Accruals	12,313
Net change in fund balance	\$ (1,372)

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Other	\$ 6,700	\$ 8,000	\$ 8,298	\$ 298
Interest	100	100	21	(79)
Total Revenues	6,800	8,100	8,319	219
<u>EXPENDITURES</u>				
Current:				
Public Works	5,000	8,000	3,758	4,242
Total Expenditures	5,000	8,000	3,758	4,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,800	100	4,561	4,461
<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)	1,800	100	\$ 4,561	\$ 4,461
Budgeted Cash Carryover	(1,800)	(100)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 4,561
Adjustments for Revenue Accruals	289
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ 4,850

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, 2014

	<u>Business Type Activity</u>
	<u>Sewer Solid Waste</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 191,104
Accounts Receivable	<u>1,761</u>
Total Current Assets	<u>192,865</u>
Non-Current Assets	
Buildings and Improvements	366,046
Accumulated Depreciation	<u>(255,408)</u>
Total Non-Current Assets	<u>110,638</u>
Total Assets	<u>\$ 303,503</u>
 <u>LIABILITIES AND NET POSITION</u>	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ <u>61</u>
Total Current Liabilities	<u>61</u>
Net Position	
Net Investment in Capital Assets	110,638
Restricted	-
Unrestricted	<u>192,804</u>
Total Net Position	<u>303,442</u>
Total Liabilities and Net Position	<u>\$ 303,503</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, 2014

**Business Type
Activity**

Sewer
Solid Waste

OPERATING REVENUE

Charges for Services - Sewer and Solid Waste

\$ 21,201

Total Operating Revenue

21,201

OPERATING EXPENSES

Operating Expenses

7,202

Depreciation

9,151

Total Operating Expenses

16,354

Operating Income (Loss)

4,847

NON-OPERATING REVENUES (EXPENSES)

Taxes - Other

1,108

Interest

188

Total Non-Operating Revenues (Expenses)

1,296

Income (Loss) Before Operating Transfers

6,143

TRANSFERS

Operating Transfers In

-

Operating Transfers (Out)

-

Total Transfers

-

Change in Net Position

6,143

Total Net Position - Beginning of Year

297,299

Total Net Position - End of Year

\$ 303,442

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, 2014

	Business Type Activity
	<u>Sewer Solid Waste</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received From User Charges	\$ 19,439
Cash Used for Suppliers of Goods and Services	(7,273)
Due To/From Other Funds (Net)	<u>77</u>
Net Cash Provided by Operating Activities	<u>12,244</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Distributions of State Shared Taxes	1,108
Operating Transfers In (Out)	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,108</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Income	<u>188</u>
Net Cash Provided by Investing Activities	<u>188</u>
Increase (Decrease) in Cash	13,540
Cash - Beginning of Year	<u>177,563</u>
<u>CASH - END OF YEAR</u>	<u>\$ 191,104</u>
Reconciliation of Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 4,847
Depreciation	9,151
(Increase) Decrease in:	
Accounts Receivable	(1,684)
Increase (Decrease) in:	
Accounts Payable	<u>(70)</u>
Net Cash Provided by Operating Activities	<u>\$ 12,244</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, 2014

Agency Fund

ASSETS

Cash and Cash Equivalents

\$ 837

LIABILITIES

Refunds Payable to Others

\$ 837

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

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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, 2014

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. Property tax receivables was not provided by the Sierra County Treasurer and property taxes receivable are not included in these statements.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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 costs 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, 2014 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, 2014

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

2. Municipal Street Fund:

The Municipal Street Fund accounts for the receipts and expenditures of special gasoline tax which is restricted for use in repairing and maintaining roads and streets within the municipality. The fund was created by 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):

Governmental 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.

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 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.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

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

Other Accounting Policies (continued)

Advances 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.

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

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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

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, 2014, the Village had no nonspendable funds equities.

Spendable

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

Restricted

Amounts that can be used only for specific purposes because of constitutional provisions, enabling legislation or externally imposed constraints. At June 30, 2014, the Village has presented restricted fund balances as follows:

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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

Restricted for:

Public Safety	\$	27,875
Culture and Recreation		11,706
Public Works		60,456

Total restricted fund balances	\$	100,037
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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, 2014, 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, 2014, the Village reflects unassigned fund equities of \$457,165.

Implementation of New Accounting Standards

During the fiscal year ended June 30, 2014 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, 2014

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 principles (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 deferred outflow 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 \$ 2 as of June 30, 2014. 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, 2014

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, 2014, 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, 2014</u>	<u>Outstanding Checks</u>	<u>Reconciled Balance June 30, 2014</u>
Bank of the Southwest	Yes	Checking	\$ 460,839	\$ 5,032	\$ 455,807
First Savings Bank	Yes	Savings	66,831	-	66,831
First Savings Bank	Yes	Savings	103,507	-	103,507
Citizens Bank	Yes	Savings	118,601	-	118,601
State of New Mexico	Yes	LGIP	2	-	2
Cash and cash equivalent balances as of June 30, 2014			<u>\$ 749,780</u>	<u>\$ 5,032</u>	<u>\$ 744,748</u>

Cash per financial Statements:

Total cash to Government Funds	\$ 553,008
Total cash to Sewer Fund	191,104
Total cash to Agency Fund	837
Less Petty Cash	<u>(200)</u>
Total	<u>\$ 744,748</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, 2014

New MexiGROW LGIP	AAAm rated	\$	2	[59] day WAM(R); [90] day WAM(F)
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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, 2014

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

Cash in Bank per June 30, 2014 statements:

	<u>Bank of the Southwest</u>	<u>Compass Bank</u>	<u>Citizens Bank</u>	<u>First Savings Bank</u>
Checking Accounts	\$ 460,839	\$ -	\$ -	\$ -
Savings Accounts	-	-	-	103,507
Money Market	-	-	118,601	66,831
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deposits	460,839	-	118,601	170,339
Less FDIC - checking	(250,000)	-	-	-
Less FDIC - Time Deposits	-	-	(118,601)	(170,339)
	<hr/>	<hr/>	<hr/>	<hr/>
Uninsured Public Finds	210,839	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
50% Collateral Requirements	105,420	-	-	-
Pledged Securities	150,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Over (Under)	\$ <u>44,580</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, 2014, \$ 210,839 of the Village's bank balance of \$ 744,748 was exposed to custodial credit risk.

Uninsured and Collateralized	\$ -
Uninsured and Collateralized by a bank not in the Village's Name	<u>210,839</u>
Total	<u>\$ 210,839</u>

The following is a schedule of pledged collateral to secure deposits of Village of Williamsburg as of June 30, 2014:

Safekeeping Location:
Federal Home Loan Bank of Dallas
8500 Freepoint Parkway South
Irving, Texas 75063-2547

<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	12/3/2014	\$ 100,000
Federal Home Loan	Letter of Credit	<u>50,000</u>	9/22/2014	<u>50,000</u>
Total		<u>\$ 150,000</u>		<u>\$ 150,000</u>

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

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 \$ 118,601 in a savings accounts held at Citizens Bank, \$ 170,339 is deposited in savings at First Savings Bank and an additional \$ 2 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, 2014.

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, 2014, 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, 2014, 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, 2014 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Municipal Taxes	\$ 2,531	\$ -
State Shared Taxes	2,998	72
Other Accounts Receivable	-	1,690
Franchise Fees	2,084	-
	<u>\$ 7,613</u>	<u>\$ 1,761</u>

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 of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 were as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 18,507	\$ -	\$ -	\$ 18,507
Infrastructure Work in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	18,507	-	-	18,507
Capital Assets, Being Depreciated				
Infrastructure	1,383,168	-	-	1,383,168
Buildings and Improvements	486,481	-	-	486,481
Machinery and Equipment	103,773	-	-	103,773
Vehicles	28,336	-	-	28,336
Total Capital Assets, Being Depreciated	2,001,758	-	-	2,001,758
Less Accumulated Depreciation				
Infrastructure	(613,094)	(56,894)	-	(669,988)
Buildings and Improvements	(280,113)	(13,222)	-	(293,335)
Machinery and Equipment	(88,793)	(7,581)	-	(96,374)
Vehicles	(24,399)	(800)	-	(25,199)
Total Less Accumulated Depreciation	(1,006,400)	(78,496)	-	(1,084,896)
Governmental Activities: Capital Assets, Net	\$ 1,013,866	\$ (78,496)	\$ -	\$ 935,369
Depreciation expense for governmental activities for the Year was				\$ 78,496

Depreciation expense was charged to governmental functions as follows:

General Government:		
Judicial	\$ 767	
Financial and Administration	12,330	
Total General Government	\$ 13,098	
Public Works:		
Highway and Streets	57,794	
Total Public Works	57,794	
Cultural and Recreation:		
Miscellaneous	7,605	
Total Cultural and Recreation	7,605	
Total Depreciation Expense as charged to Governmental functions		\$ 78,496

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE D - CAPITAL ASSETS - (CONTINUED)

Proprietary fund capital activity for the year ended June 30, 2014 were as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Transfer/ Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
Sewer and Solid Waste				
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	(246,257)	(9,151)	-	(255,408)
Total Less Accumulated Depreciation	<u>(246,257)</u>	<u>(9,151)</u>	<u>-</u>	<u>(255,408)</u>
Sewer and Solid Waste Capital Assets, Net	\$ <u>119,789</u>	\$ <u>(9,151)</u>	\$ <u>-</u>	\$ <u>110,638</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</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Amount Due</u> <u>in One Year</u>
Compensated Absences	\$ <u>1,770</u>	\$ <u>1,717</u>	\$ <u>1,412</u>	\$ <u>2,075</u>	\$ <u>-</u>
NM Finance Authority	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The Village had no other long-term debt at June 30, 2014.

NOTE F - PERA PENSION PLAN

The Village has three employees who participates 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 10.65% of her gross salary. The Village is required to make a contribution of 9.15%. 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, 2014, 2013 and, 2012 are \$ 4,709, \$ 3,453 \$ 2,549, respectively.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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 \$8,710 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, 2014.

Consultations and Updates from Village Counsel:

The Village Counsel provided a representation letter dated September 4, 2014 that stated that as of this date there is no pending or threatened litigation and counsel was also unaware of any unasserted claims and assessments against the Village.

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 \$10,040 of which \$1,660 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.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

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.

The Village made two transfers during the fiscal year for the purpose of removing the fund balances in the Fire Fund and Emergency Services Fund remaining after these funds were closed. The Fire Fund transferred \$ 4 and the Emergency Services Fund transferred \$ 49 to the General Fund.

NOTE K - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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 Individual fund with excess expenditures over appropriations.

Fund	Budgeted Expenses	Actual Expenses	Expenditures Over Budget
Sewer Fund	\$ 7,000	\$ 7,273	\$ 273
Total	\$ 7,000	\$ 7,273	\$ 273

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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 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.

The Village of Williamsburg
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

NOTE L - JOINT POWERS AGREEMENTS - (CONTINUED)

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 7, 2014 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 7, 2014.

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, 2014

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.

Fire Fund:

This fund accounts for State and County proceeds provided for the operations of the Village's fire services. The Fire department was transferred to the City of TorC in fiscal year 2013 and the unexpended fund balance was transferred to the General Fund in fiscal year 2014. The authority for this fund is Sections 24-10A-1 to 10 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 EMS services were transferred to the City of TorC in fiscal year 2013 and the unexpended fund balance was transferred to the General Fund in fiscal year 2014. 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. The authority for this fund is: 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. The authority for this fund is: 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. The authority for this fund is: Section 75-2-1 NMSA 1978.

The Village of Williamsburg
Combining Balance Sheet
Non Major Special Revenue Funds
June 30, 2014

	Corrections	Emergency Medical Services	Fire Fund	Law Enforcement	Lodgers Tax	Recreation	Flood Services	Total
ASSETS								
Cash & Cash Equivalents	\$ 18,340	\$ -	\$ -	\$ 1,085	\$ 10,660	\$ 1,046	\$ 9,505	\$ 40,636
Total Assets	<u>\$ 18,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085</u>	<u>\$ 10,660</u>	<u>\$ 1,046</u>	<u>\$ 9,505</u>	<u>\$ 40,636</u>
LIABILITIES AND FUND BALANCES								
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,056	\$ -	\$ -	\$ -	\$ 1,056
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,056</u>
FUND BALANCES;								
Spendable								
Restricted for:								
Public Safety	18,340	-	-	30	-	-	9,505	27,875
Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,660</u>	<u>1,046</u>	<u>-</u>	<u>11,706</u>
Total Liabilities and Fund Balances	<u>18,340</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>10,660</u>	<u>1,046</u>	<u>9,505</u>	<u>39,581</u>
	<u>\$ 18,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085</u>	<u>\$ 10,660</u>	<u>\$ 1,046</u>	<u>\$ 9,505</u>	<u>\$ 40,636</u>

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, 2014

	Corrections	Emergency Medical Services	Fire Fund	Law Enforcement	Lodgers Tax	Parks and Recreation	Flood Services	Total
REVENUES								
Taxes - Other	\$ -	\$ -	\$ -	\$ -	\$ 1,896	\$ -	\$ -	\$ 1,896
Intergovernmental	-	-	-	20,000	-	-	-	20,000
Charges for Services	680	-	-	-	-	-	-	680
Interest	6	-	-	-	5	5	4	20
Total Revenues	<u>686</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>1,901</u>	<u>5</u>	<u>4</u>	<u>22,596</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	21,024	-	-	4,975	25,999
Cultural and Recreation	-	-	-	-	2,747	-	-	2,747
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,024</u>	<u>2,747</u>	<u>-</u>	<u>4,975</u>	<u>28,747</u>
Excess (Deficiency) - Revenues over Expenditures	<u>686</u>	<u>-</u>	<u>-</u>	<u>(1,024)</u>	<u>(847)</u>	<u>5</u>	<u>(4,971)</u>	<u>(6,151)</u>
OTHER FINANCING SOURCES								
Transfers In (Out)	-	(49)	(4)	-	-	-	-	(53)
Total other Financing Sources (Uses)	<u>-</u>	<u>(49)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53)</u>
Net Change in Fund Balances	<u>686</u>	<u>(49)</u>	<u>(4)</u>	<u>(1,024)</u>	<u>(847)</u>	<u>5</u>	<u>(4,971)</u>	<u>(6,203)</u>
Fund Balance June 30, 2013	17,654	49	4	1,054	11,507	1,041	14,476	45,784
Prior Period Adjustment	-	-	-	-	-	-	-	-
Adjusted Fund Balance June 30, 2013	<u>17,654</u>	<u>49</u>	<u>4</u>	<u>1,054</u>	<u>11,507</u>	<u>1,041</u>	<u>14,476</u>	<u>45,784</u>
Fund Balance June 30, 2014	<u>\$ 18,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 10,660</u>	<u>\$ 1,046</u>	<u>\$ 9,505</u>	<u>\$ 39,581</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)
Corrections Fund

For the Fiscal Year Ended June 30, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Charges for Services	\$ 1,700	\$ 1,200	\$ 680	\$ (520)
Interest	10	10	6	(4)
Total Revenues	1,710	1,210	686	(524)
<u>EXPENDITURES</u>				
Current:				
Public Safety	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,290)	(3,790)	686	4,476
<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)	(3,290)	(3,790)	\$ 686	\$ 4,476
Budgeted Cash Carryover	3,290	3,790		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)		\$ 686
Adjustments for Revenue Accruals		-
Adjustments for Expenditures Accruals		-
Net change in fund balance		\$ 686

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	4	4
Total Other Financing Sources (Uses)	-	-	(4)	(4)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	\$ (4)	\$ (4)
Budgeted Cash Carryover	-	-		
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	-
Net change in fund balance	\$ (4)

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	49	49
Total Other Financing Sources (Uses)	-	-	(49)	(49)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	\$ (49)	\$ (49)
Budgeted Cash Carryover	-	-	-	-
Total	\$ -	\$ -	-	-

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (49)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (49)

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total Revenues	20,000	20,000	20,000	-
<u>EXPENDITURES</u>				
Current:				
Public Safety	20,000	20,000	19,969	31
Total Expenditures	20,000	20,000	19,969	31
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	31	31
<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)	-	-	\$ 31	\$ 31
Budgeted Cash Carryover	-	-	-	-
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 31
Adjustments for Revenue Accruals	(1,056)
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (1,024)

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - Other	\$ 2,100	\$ 2,000	\$ 1,896	\$ (104)
Interest	15	15	5	(10)
Total Revenues	2,115	2,015	1,901	(114)
<u>EXPENDITURES</u>				
Current:				
Cultural and Recreation	2,000	6,000	2,747	3,253
Total Expenditures	2,000	6,000	2,747	3,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	115	(3,985)	(847)	3,138
<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)	115	(3,985)	(847)	3,138
Budgeted Cash Carryover	(115)	3,985		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (847)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (847)

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - State Shared	\$ 2,400	\$ 2,400	\$ -	\$ (2,400)
Interest	15	15	5	(10)
Miscellaneous	5	5	-	(5)
	<u>2,420</u>	<u>2,420</u>	<u>5</u>	<u>(2,415)</u>
<u>EXPENDITURES</u>				
Current:				
Cultural and Recreation	1,500	1,500	-	1,500
	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	920	920	5	(915)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	920	920	\$ <u>5</u>	\$ <u>(915)</u>
Budgeted Cash Carryover	(920)	(920)		
Total	<u>\$ -</u>	<u>\$ -</u>		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)		\$ 5
Adjustments for Revenue Accruals		-
Adjustments for Expenditures Accruals		-
Net change in fund balance		\$ <u>5</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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 10	\$ 10	\$ -	\$ (10)
Interest	-	-	4	4
Total Revenues	10	10	4	(6)
<u>EXPENDITURES</u>				
Current:				
Public Safety	-	-	4,975	(4,975)
Public Works	2,500	7,000	-	7,000
Total Expenditures	2,500	7,000	4,975	2,025
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,490)	(6,990)	(4,971)	2,019
<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)	(2,490)	(6,990)	\$ (4,971)	\$ 2,019
Budgeted Cash Carryover	2,490	6,990		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)		\$ (4,971)
Adjustments for Revenue Accruals		-
Adjustments for Expenditures Accruals		-
Net change in fund balance		\$ (4,971)

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

The Village of Williamsburg

Enterprise Fund

June 30, 2014

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, 2014

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes - State Shared	\$ -	\$ -	\$ 1,114	\$ 1,114
Charges for Services	12,500	12,500	19,511	7,011
Interest	-	-	188	188
Total Revenues	12,500	12,500	20,813	8,313
<u>EXPENDITURES</u>				
Current:				
Public Works	7,000	7,000	7,273	(273)
Total Expenditures	7,000	7,000	7,273	(273)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,500	5,500	13,540	8,040
<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)	5,500	5,500	\$ 13,540	\$ 8,040
Budgeted Cash Carryover	(5,500)	(5,500)		
Total	\$ -	\$ -		

Budgetary - GAAP Reporting Reconciliation

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 13,540
Adjustments for Revenue Accruals	1,754
Adjustments for Expenditures Accruals	(9,151)
Change in Net Position	\$ 6,143

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, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>ASSETS</u>				
Cash In Bank	\$ 783	\$ 342	\$ (288)	\$ 837
	<u>\$ 783</u>	<u>\$ 342</u>	<u>\$ (288)</u>	<u>\$ 837</u>
 <u>LIABILITIES</u>				
Due to Others Court	783	342	(288)	837
	<u>\$ 783</u>	<u>\$ 342</u>	<u>\$ (288)</u>	<u>\$ 837</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, the aggregate remaining fund information, and 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, 2014, 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 7, 2014.

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 -2008-001.

Compliance and Other Matters

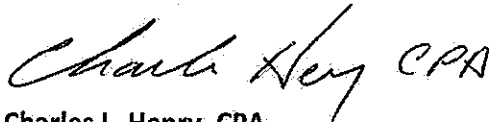
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.2008-001.

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 7, 2014

The Village of Williamsburg
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2014

CURRENT STATUS OF PRIOR YEAR FINDINGS:

2008-001 [2008-01] - Actual Expenditures Exceeded Amount Budgeted	Repeated
2010-009 [2010-09] - Not Maintaining Individual Fund Balances:	Resolved
2013-001 [2013-01] - Making Correcting Journal and Adjusting Entries Improperly	Resolved

**2008-001 [2008-01] - Actual Expenditures Exceeded Amount Budgeted --
Significant Deficiency and Compliance**

Condition

The Village expenditures exceeded its budgeted expenditures in 1 fund.
Sewer Fund by \$ 273

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.

Cause

The Village miscalculated the effect of prior year expense payables that were included in the current year expenditures as a result of converting to the budgetary basis.

Recommendation

The Clerk be more aware of the budgetary adjustments effecting the current period expenditures when determining the budget or related budget adjustments.

Management Response

This conditions is understood and prior payables will be included in current period expenditures.

The Village of Williamsburg
Exit Conference
For the Fiscal Year Ended June 30, 2014

Exit Conference -- Village of Williamsburg

The exit conference was held November 7, 2014 in the Village offices in a properly advertised closed executive session. It was attended by the following individuals:

From Village of Williamsburg

Debbie Stubblefield	Mayor
Majorie Powey	Mayor - Pro-Tem
Ron Hoskins Sr.	Trustee
Guillermo Hernandez	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.