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**STATE OF NEW MEXICO**

***Village of Williamsburg***

***Independent Accountant's Report***

**For the Fiscal Year Ended June 30, 2015**



# The Village of Williamsburg

## Table of Contents

June 30, 2015

	<u>Page</u>
<b>Official Roster</b>	1
<b>Independent Auditor's Report</b>	2 - 4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	5
Statement of Activities	6
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds	7
Reconciliation of the Fund Balance of Governmental Funds to Governmental Activities Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
General Fund	11
Municipal Street Fund	12
Law Enforcement	13
Flood Control	14
<b>Proprietary Fund</b>	
Statement of Net Position	15
Statement of Revenues, Expenses, and Changes in Fund Net Position	16
Statement of Cash Flows	17
<b>Agency Fund</b>	
Statement of Fiduciary Assets and Liabilities	18
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	19 - 37
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Schedule of Employer's Proportionate Share of the Net Pension Liability of PERA Municipal General Division	38
Schedule of Employer Contributions	39
Notes to Required Supplementary Information	40

**The Village of Williamsburg**  
Table of Contents  
June 30, 2015

**SUPPLEMENTAL INFORMATION**

<b>Special Revenue Funds</b>	41
<b>Statements For Non Major Governmental Funds</b>	
Combining Balance Sheet	
Non Major Special Revenue Funds	42
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Non Major Special Revenue Funds	43
<b>Statements For Non Major Governmental Funds</b>	
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
Non Major Special Revenue Funds	
Corrections Fund	44
Lodgers Tax Fund	45
Parks and Recreation Fund	46
<b>Enterprise Fund</b>	
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual (Cash Basis)	
Sewer Fund	47
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
<b>Agency Fund</b>	
Schedule of Changes in Assets and Liabilities	48
<b>Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)</b>	49
<b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE</b>	50 - 51
<b>    AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN</b>	
<b>    ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	
<b>Schedule of Findings and Responses</b>	52
<b>Exit Conference</b>	53

**The Village of Williamsburg**  
Official Roster  
June 30, 2015

**Elected Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>
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
Cheryl L Snyder	Deputy Clerk

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## INDEPENDENT AUDITOR'S REPORT

Mr. Timothy M. Keller, 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, 2015, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. 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, 2015, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2015, 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, 2015, 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 of Expenditures and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated November 23, 2015 on my consideration of the Village's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Charles L. Henry CPA". The signature is written in black ink and is positioned above the typed name.

**Charles L. Henry, CPA  
Raton, New Mexico  
November 23, 2015**



**The Village of Williamsburg**  
Government-wide Financial Statements  
Statement of Net Position  
June 30, 2015

	<u>Governmental</u> Activities	<u>Business-Type</u> Activities	<u>Primary</u> <u>Government</u> Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 539,683	\$ 175,893	\$ 715,577
Accounts Receivable and Prepaid Amounts	-	1,547	1,547
Taxes Receivable	31,442	-	31,442
Due (to)/from Other Funds	2,907	-	2,907
Total Current Assets	574,032	177,441	751,473
<b>Noncurrent Assets</b>			
Land	18,507	-	18,507
Infrastructure	1,383,168	-	1,383,168
Buildings and Improvements	486,481	366,046	852,527
Machinery and Equipment	103,773	-	103,773
Vehicles	28,336	-	28,336
Less Accumulated Depreciation	(1,158,271)	(264,559)	(1,422,830)
Total Noncurrent Assets	861,994	101,487	963,481
<b>Deferred Outflows</b>			
Contributions Subsequent to Measurement Date	4,815	-	4,815
Total Deferred Outflows	4,815	-	4,815
TOTAL ASSETS	1,440,841	278,928	1,719,769
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,812	93	1,905
Taxes Payable	878	-	878
Due To Other Funds	2,747	85	2,832
Total Current Liabilities	5,437	178	5,615
<b>Long-Term Liabilities</b>			
Net Pension Liability	49,147	-	49,147
Compensated Absences	3,189	-	3,189
Total Long-Term Liabilities	52,336	-	52,336
TOTAL LIABILITIES	57,774	178	57,952
<b>Deferred Inflows</b>			
Unavailable Property Taxes	22,946	-	22,946
Change in Assumptions	33	-	33
Changes in Investment Experience	19,228	-	19,228
TOTAL DEFERRED INFLOWS	42,207	-	42,207
<b>NET POSITION</b>			
Net Investment in Capital Assets	861,994	101,487	963,481
Restricted for:			
Public Safety	15,214	-	15,214
Culture and Recreation	13,993	-	13,993
Public Works	50,445	-	50,445
Unrestricted	399,216	177,262	576,478
TOTAL NET POSITION	\$ 1,340,862	\$ 278,750	\$ 1,619,611

*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, 2015

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
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 240,985	\$ 744	\$ -	\$ -	\$ (240,241)	\$ -	\$ (240,241)
Public Safety	83,260	-	20,000	-	(63,260)	-	(63,260)
Public Works	19,339	-	-	-	(19,339)	-	(19,339)
Cultural And Recreation	4,333	-	-	-	(4,333)	-	(4,333)
<b>Total Governmental Activities</b>	<b>347,917</b>	<b>744</b>	<b>20,000</b>	<b>-</b>	<b>(327,173)</b>	<b>-</b>	<b>(327,173)</b>
<b>Business - Type Activities</b>							
Water Utility Services	10,508	19,812	-	-	-	9,304	9,304
<b>Total Business - Type Activities</b>	<b>10,508</b>	<b>19,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,304</b>	<b>9,304</b>
<b>Total Primary Government</b>	<b>\$ 358,425</b>	<b>\$ 20,556</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ (327,173)</b>	<b>\$ 9,304</b>	<b>\$ (317,869)</b>
<b>General Revenues and Transfers</b>							
Taxes							
Property Taxes Levied					\$ 9,219	\$ -	\$ 9,219
Gross Receipts Tax					38,535	837	39,373
Franchise Taxes					10,766	-	10,766
Gasoline Tax					14,651	-	14,651
Other Taxes					11,219	-	11,219
Grants and Programs Unrestricted					117,519	-	117,519
Licenses & Permits					1,766	-	1,766
Miscellaneous					4,891	-	4,891
Investment Earnings					329	166	496
Operating Transfers (Net)					35,000	(35,000)	-
<b>Total General Revenues and Transfers</b>					<b>243,896</b>	<b>(33,997)</b>	<b>209,900</b>
<b>Changes in Net Position</b>					<b>(83,277)</b>	<b>(24,693)</b>	<b>(107,969)</b>
<b>Beginning Net Position as Previously Stated</b>					<b>1,490,496</b>	<b>303,442</b>	<b>1,793,939</b>
Required Restatement					(66,358)	-	(66,358)
<b>Beginning Net Position as Restated</b>					<b>1,424,138</b>	<b>303,442</b>	<b>1,727,581</b>
<b>Net Position Ending</b>					<b>\$ 1,340,862</b>	<b>\$ 278,750</b>	<b>\$ 1,619,611</b>

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, 2015

	General Fund	Municipal Street Fund	Law Enforcement Fund	Flood Control Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 456,302	\$ 52,302	\$ 780	\$ 7,193	\$ 23,107	\$ 539,683
Taxes Receivable	31,442	-	-	-	-	31,442
Due from Other Funds	2,866	-	-	-	41	2,907
<b>Total Assets</b>	<b>490,610</b>	<b>52,302</b>	<b>780</b>	<b>7,193</b>	<b>23,148</b>	<b>574,032</b>
<b>Deferred Outflows of Resources</b>						
Contributions Subsequent to Measurement Date	4,815	-	-	-	-	4,815
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 495,425</b>	<b>\$ 52,302</b>	<b>\$ 780</b>	<b>\$ 7,193</b>	<b>\$ 23,148</b>	<b>\$ 578,847</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 789	\$ 313	\$ 710	\$ -	\$ -	\$ 1,812
Accrued Payroll and Benefits	877	-	-	-	-	877
Due to Other Funds	-	1,544	1,131	1	71	2,747
Net Pension Liability	49,147	-	-	-	-	49,147
<b>Total Liabilities</b>	<b>50,813</b>	<b>1,857</b>	<b>1,841</b>	<b>1</b>	<b>71</b>	<b>54,583</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Property Taxes	22,946	-	-	-	-	22,946
Change in Assumptions	33	-	-	-	-	33
Changes in Investment Experience	19,228	-	-	-	-	19,228
Total deferred inflows of resources	42,207	-	-	-	-	42,207
<b>FUND BALANCES</b>						
Restricted for:						
Public Safety	-	-	(1,062)	7,192	9,083	15,214
Culture and Recreation	-	-	-	-	13,993	13,993
Public Works	-	50,445	-	-	-	50,445
Unassigned	402,405	-	-	-	-	402,405
<b>Total Fund Balances</b>	<b>402,405</b>	<b>50,445</b>	<b>(1,062)</b>	<b>7,192</b>	<b>23,077</b>	<b>482,057</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 495,425</b>	<b>\$ 52,302</b>	<b>\$ 779</b>	<b>\$ 7,193</b>	<b>\$ 23,148</b>	<b>\$ 578,847</b>

*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, 2015

<b>Fund Balance of Governmental Funds</b>		\$	482,057
 <b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>			
 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>(1,158,271)</u>	861,994
 Long-Term Liabilities as well as the current portion of such obligations are not due and payable in the current period and therefore are not reported as fund liabilities.			
Compensated Absences		<u>(3,189)</u>	<u>(3,189)</u>
 <b>Net Position of Governmental Activities</b>		 \$	 <u><u>1,340,862</u></u>

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**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, 2015

	General Fund	Municipal Street Fund	Law Enforcement Fund	Flood Control Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>REVENUES</b>						
Taxes - Property	\$ 9,219	\$ -	\$ -	\$ -	\$ -	\$ 9,219
Taxes - State Shared	53,186	-	-	-	-	53,186
Taxes - Franchise	10,766	-	-	-	-	10,766
Taxes - Other	-	9,303	-	-	1,916	11,219
Intergovernmental - State Sources	117,519	-	20,000	-	-	137,519
Charges for Services	-	-	-	-	744	744
Interest	294	24	-	5	5	329
Licenses and Permits	1,766	-	-	-	-	1,766
Miscellaneous	4,891	-	-	-	-	4,891
<b>Total Revenues</b>	<b>197,642</b>	<b>9,327</b>	<b>20,000</b>	<b>5</b>	<b>2,666</b>	<b>229,640</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
General Government	166,495	-	-	-	-	166,495
Public Safety	29,850	-	21,091	32,318	-	83,260
Public Works	-	19,339	-	-	-	19,339
Cultural and Recreation	1,698	-	-	-	2,635	4,333
<b>Total Expenditures</b>	<b>198,044</b>	<b>19,339</b>	<b>21,091</b>	<b>32,318</b>	<b>2,635</b>	<b>273,427</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(402)	(10,012)	(1,091)	(32,313)	30	(43,787)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers in	12,000	-	-	30,000	3,000	45,000
Operating Transfers (Out)	-	-	-	-	(10,000)	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>(7,000)</b>	<b>35,000</b>
<b>Net Change in Fund Balance</b>	<b>11,598</b>	<b>(10,012)</b>	<b>(1,091)</b>	<b>(2,313)</b>	<b>(6,970)</b>	<b>(8,787)</b>
Beginning Fund Balance, as Previously Stated	457,165	60,456	30	9,505	30,046	557,202
Required Restatement	(66,358)	-	-	-	-	(66,358)
Beginning Fund Balance, as Restated	390,807	60,456	30	9,505	30,046	490,844
<b>Total Fund Balance - End of Year</b>	<b>\$ 402,405</b>	<b>\$ 50,445</b>	<b>\$ (1,062)</b>	<b>\$ 7,192</b>	<b>\$ 23,077</b>	<b>\$ 482,057</b>

*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, 2015

**Net Change in Fund Balances - Governmental Funds** \$ (8,787)

**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.

Less Current Year Depreciation (73,376)

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 (1,114)

**Change in Net Assets of Governmental Activities** \$ (83,277)

*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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes - Property	\$ 9,600	\$ 9,200	\$ 9,063	\$ (137)
Taxes - State Shared	51,800	44,200	52,777	8,577
Taxes - Franchise	12,000	13,000	9,813	(3,187)
Taxes - Other	18,300	15,300	-	(15,300)
Intergovernmental - State Sources	118,873	118,873	117,519	(1,354)
Interest	500	290	294	4
Licenses and Permits	1,900	1,900	1,766	(134)
Miscellaneous	30,500	17,900	4,891	(13,009)
	<u>243,473</u>	<u>220,663</u>	<u>196,124</u>	<u>(24,539)</u>
Total Revenues				
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	185,900	162,900	165,983	(3,083)
Public Safety	45,000	45,000	29,850	15,150
Cultural and Recreation	10,000	10,000	1,642	8,358
	<u>240,900</u>	<u>217,900</u>	<u>197,476</u>	<u>20,424</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,573	2,763	(1,352)	(4,115)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	20,000	28,713	12,000	(16,713)
Operating Transfers Out	(8,000)	(8,000)	-	8,000
	<u>28,000</u>	<u>36,713</u>	<u>12,000</u>	<u>(24,713)</u>
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	30,573	39,476	\$ <u>10,648</u>	\$ <u>(28,828)</u>
Budgeted Cash Carryover	(30,573)	(39,476)		
Total	<u>\$ -</u>	<u>\$ -</u>		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 10,648
Adjustments for Revenue Accruals	1,518
Adjustments for Expenditures Accruals	(568)
Net change in fund balance	\$ 11,598

*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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Taxes - Other	\$ 9,000	\$ 9,000	\$ 10,009	\$ 1,009
Interest	20	20	24	4
Total Revenues	9,020	9,020	10,034	1,014
<b><u>EXPENDITURES</u></b>				
<b>Current:</b>				
Public Works	8,000	20,000	19,339	661
Total Expenditures	8,000	20,000	19,339	661
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,020	(10,980)	(9,305)	1,675
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	1,020	(10,980)	\$ (9,305)	\$ 1,675
Budgeted Cash Carryover	(1,020)	10,980		
Total	\$ -	\$ -		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (9,305)
Adjustments for Revenue Accruals	(706)
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (10,012)

*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**

For the Fiscal Year Ended June 30, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total Revenues	20,000	20,000	20,000	-
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public Safety	22,101	22,101	20,500	1,601
Total Expenditures	22,101	22,101	20,500	1,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,101)	(2,101)	(500)	1,601
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	-	1,054	-	(1,054)
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	1,054	-	(1,054)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(2,101)	(1,047)	\$ (500)	\$ 547
Budgeted Cash Carryover	2,101	1,047		
Total	\$ -	\$ -		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (500)
Adjustments for Revenue Accruals	(591)
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (1,091)

*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 Control**

For the Fiscal Year Ended June 30, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Interest	\$ 5	\$ 5	\$ 5	\$ 0
Total Revenues	5	5	5	0
<b><u>EXPENDITURES</u></b>				
<b>Current:</b>				
Public Safety	7,000	38,000	32,318	5,682
Total Expenditures	7,000	38,000	32,318	5,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,995)	(37,995)	(32,313)	5,682
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers in	5,000	30,000	30,000	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	5,000	30,000	30,000	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(1,995)	(7,995)	\$ (2,313)	\$ 5,682
Budgeted Cash Carryover	1,995	7,995		
Total	\$ -	\$ -		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (2,313)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ <u>(2,313)</u>

*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, 2015

	<b>Business Type Activity</b>
	<b>Sewer Solid Waste</b>
<b><u>ASSETS</u></b>	
Current Assets	
Cash and Cash Equivalents	\$ 175,893
Accounts Receivable	<u>1,547</u>
Total Current Assets	<u>177,441</u>
Non-Current Assets	
Buildings and Improvements	366,046
Accumulated Depreciation	<u>(264,559)</u>
Total Non-Current Assets	<u>101,487</u>
Total Assets	<u><u>\$ 278,928</u></u>
 <b><u>LIABILITIES AND NET POSITION</u></b>	
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 93
Due to Other Funds	<u>85</u>
Total Current Liabilities	<u>178</u>
 <b>Net Position</b>	
Net Investment in Capital Assets	101,487
Restricted	-
Unrestricted	<u>177,262</u>
Total Net Position	<u>278,750</u>
Total Liabilities and Net Position	<u><u>\$ 278,928</u></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, 2015

	<b>Business Type Activity</b>
	<u>Sewer Solid Waste</u>
<b><u>OPERATING REVENUE</u></b>	
Charges for Services - Sewer and Solid Waste	\$ <u>19,812</u>
Total Operating Revenue	<u>19,812</u>
<b><u>OPERATING EXPENSES</u></b>	
Operating Expenses	1,357
Depreciation	<u>9,151</u>
Total Operating Expenses	<u>10,508</u>
<b>Operating Income (Loss)</b>	<u>9,304</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>	
Taxes - Other	837
Interest	<u>166</u>
Total Non-Operating Revenues (Expenses)	<u>1,003</u>
<b>Income (Loss) Before Operating Transfers</b>	<u>10,307</u>
<b><u>TRANSFERS</u></b>	
Operating Transfers In	-
Operating Transfers (Out)	<u>(35,000)</u>
Total Transfers	<u>(35,000)</u>
<b>Change in Net Position</b>	<u>(24,693)</u>
<b>Total Net Position - Beginning of Year</b>	<u>303,442</u>
<b>Total Net Position - End of Year</b>	<u><u>\$ 278,750</u></u>

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

**The Village of Williamsburg**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Fiscal Year Ended June 30, 2015

	<b>Business Type Activity</b>
	<b>Sewer Solid Waste</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Cash Received From User Charges	\$ 20,027
Cash Used for Suppliers of Goods and Services	(1,325)
Due To/From Other Funds (Net)	84
Net Cash Provided by Operating Activities	18,786
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>	
Distributions of State Shared Taxes	837
Operating Transfers In (Out)	(35,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(34,163)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Interest Income	166
Net Cash Provided by Investing Activities	166
<b>Increase (Decrease) in Cash</b>	(15,210)
<b>Cash - Beginning of Year</b>	191,104
<b><u>CASH - END OF YEAR</u></b>	\$ 175,893
<b>Reconciliation of Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	\$ 9,304
Depreciation	9,151
(Increase) Decrease in:	
Accounts Receivable	215
Increase (Decrease) in:	
Accounts Payable	116
Net Cash Provided by Operating Activities	\$ 18,786

*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, 2015

	<u>Agency Fund</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ <u>900</u>
<b><u>LIABILITIES</u></b>	
Refunds Payable to Others	\$ <u>900</u>

*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, 2015

**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 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 is a financial reporting entity as originally 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. GASB issued Statement No. 62 that establishes guidance for pre November, 1989 FASB and AICPA pronouncements. This standard was implemented by the Village and it does not expect any material changes to the financial statements as a result of the implementation of this standard. 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, 2015

**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 are recognized in 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 -***

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, 2015

**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.

In addition to assets, the Village reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

In addition to liabilities, the Village reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources. The Authority has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position.

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 of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

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

**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.

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.

3. **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.

4. **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 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.



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

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

**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.

**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, 2015

**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, 2015, 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, 2015, the Village has presented restricted fund balances as follows:

***Restricted for:***

Public Safety	\$	15,214
Culture and Recreation		13,993
Public Works		<u>50,445</u>
 Total restricted fund balances	 \$	 <u><u>79,652</u></u>

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

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

**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, 2015, 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, 2015, the Village reflects unassigned fund equities of \$402,405.

**Implementation of New Accounting Standards**

During the year ended June 30, 2015, the Village adopted GASB Statements No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 (“GASB 68”), and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68 (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- \* Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- \* Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- \* Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government’s fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity’s beginning net position and expense in the initial period of implementation.

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

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

**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 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**

In prior years the Village elected invested in Local Government Investment Pool (LGIP). Participation in the LGIP is voluntary and the Village has elected to not participate in this fund for the year ended June 30, 2015.

As of June 30, 2015, 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.

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2015

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

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, 2015</u>	<u>Outstanding Checks</u>	<u>Reconciled Balance June 30, 2015</u>
Bank of the Southwest	Yes	Checking	\$ 244,918	\$ 54,328	\$ 190,590
Citizens Bank	No	Checking	262,960	1,496	261,463
First Savings Bank	Yes	Savings	66,931	-	66,931
First Savings Bank	Yes	Savings	78,549	-	78,549
Citizens Bank	Yes	Savings	118,743	-	118,743
Cash and cash equivalent balances as of June 30, 2015			<u>\$ 772,101</u>	<u>\$ 55,824</u>	<u>\$ 716,276</u>

**Cash per financial Statements:**

Total cash to Government Funds	\$ 539,683
Total cash to Sewer Fund	175,893
Total cash to Agency Fund	825
Less Petty Cash	<u>(200)</u>
Total	<u>\$ 716,201</u>

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.

**Cash in Bank per June 30, 2015 statements:**

	<u>Bank of the Southwest</u>	<u>Compass Bank</u>	<u>Citizens Bank</u>	<u>First Savings Bank</u>
Checking Accounts	\$ 244,918	\$ -	\$ 262,960	\$ -
Savings Accounts	-	-	-	78,549
Money Market	-	-	118,743	66,931
Total Deposits	244,918	-	381,703	145,480
Less FDIC Insurance Coverage	<u>(244,918)</u>	<u>-</u>	<u>(250,000)</u>	<u>(145,480)</u>
Uninsured Public Finds	-	-	131,703	-
50% Collateral Requirements	-	-	65,852	-
Pledged Securities	-	-	150,000	-
Over (Under)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,148</u>	<u>\$ -</u>



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

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

**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, 2015, \$ 131,703 of the Village's bank balance of \$ 716,276 was exposed to custodial credit risk.

Uninsured and Collateralized by a bank not in the Village's Name	\$ <u>131,703</u>
Total	\$ <u><u>131,703</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are: 1. uncollateralized, 2. collateralized with securities held by the pledging financial institution, or 3. collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name.

The following is a schedule of pledged collateral to secure deposits of Village of Williamsburg as of June 30, 2015:

<u>Description</u>	<u>Safekeeping Location</u>	<u>Maturity Par Value</u>	<u>Maturity Date</u>	<u>Par Value / Market Value</u>
Letter of Credit	FHLB	\$ 100,000	09/23/15	\$ 100,000
Letter of Credit	FHLB	<u>50,000</u>	12/03/15	<u>50,000</u>
Total		<u>\$ 150,000</u>		<u>\$ 150,000</u>

The Village is authorized to invest idle cash by state statutes and Village resolutions. The Village has \$118,743 in a savings accounts held at Citizens Bank and \$ 145,480 is deposited in savings at First Savings Bank.

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**

Concentration of credit risk is the risk of loss attributable to the magnitude of the investment in a single issuer. The Village has no formal policy limiting the amount of investments or deposits at any single institution or with any single issuer.

**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.

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2015

**NOTE C - RECEIVABLES**

As of June 30, 2015, 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, 2015, 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, 2015 consisted of the following:***

	Governmental Activities	Business-Type Activities
Municipal Taxes	\$ 2,305	\$ -
State Shared Taxes	3,154	-
Other Accounts Receivable	-	1,547.12
Franchise Fees	3,037	-
Property Taxes	22,946	
	\$ 31,442	\$ 1,547

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.

**NOTE D - CAPITAL ASSETS**

***Capital asset activity for the year ended June 30, 2015 were as follows:***

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 18,507	\$ -	\$ -	\$ 18,507
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	(669,988)	(55,787)	-	(725,775)
Buildings and Improvements	(293,335)	(12,693)	-	(306,028)
Machinery and Equipment	(96,374)	(4,095)	-	(100,469)
Vehicles	(25,199)	(800)	-	(25,999)
Total Less Accumulated Depreciation	(1,084,896)	(73,376)	-	(1,158,272)
Governmental Activities: Capital Assets, Net	\$ 935,369	\$ (73,376)	\$ -	\$ 861,994
Depreciation expense for governmental activities for the Year was				\$ 73,376

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**NOTE D - CAPITAL ASSETS - (CONTINUED)**

*Depreciation expense was charged to governmental functions as follows:*

<b>General Government:</b>			
Judicial		\$ -	
Financial and Administration		12,207	
Total General Government		<u>12,207</u>	\$ 12,207
<b>Public Works:</b>			
Highway and Streets		56,687	
Total Public Works		<u>56,687</u>	56,687
<b>Cultural and Recreation:</b>			
Miscellaneous		4,481	
Total Cultural and Recreation		<u>4,481</u>	<u>4,481</u>
Total Depreciation Expense as charged to Governmental functions			<u>\$ 73,376</u>

**Proprietary fund capital activity for the year ended June 30, 2015 were as follows:**

	Balance July 1, 2014	Additions	Transfer/ Retirements	Balance June 30, 2015
<b>Sewer and Solid Waste</b>				
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	(255,408)	(9,151)	-	(264,559)
Total Less Accumulated Depreciation	<u>(255,408)</u>	<u>(9,151)</u>	<u>-</u>	<u>(264,559)</u>
Sewer and Solid Waste Capital Assets, Net	<u>\$ 110,638</u>	<u>\$ (9,151)</u>	<u>\$ -</u>	<u>\$ 101,487</u>
Depreciation Expense for Water & Sewer Activities for the Year was				<u>\$ 9,151</u>



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**NOTE E - CHANGES IN COMPENSATED ABSENCES**

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Amount Due in One Year</u>
Compensated Absences	\$ <u>2,075</u>	\$ <u>1,764</u>	\$ <u>650</u>	\$ <u>3,189</u>	\$ <u>-</u>

The Village had no other long-term debt at June 30, 2015.

**NOTE F - PERA PENSION PLAN**

**General Information about the Pension Plan**

***Plan description.***

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10- 11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

***Benefits provided.***

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

***Contributions.***

The contribution requirements of defined benefit plan members and the Village of Williamsburg are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14, for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Village of Williamsburg are: Municipal General Division. Statutorily required contributions to the pension plan from the Village of Williamsburg were \$4,815. and there were no employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2015.



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**NOTE F - PERA PENSION PLAN - (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred**

***Inflows of Resources Related to Pensions:***

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village of Williamsburg's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division,**

at June 30, 2015, Village of Williamsburg reported a liability of \$49,147 for its proportionate share of the net pension liability. At June 30, 2014, Village of Williamsburg's proportion was 0.0063 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Village of Williamsburg recognized PERA Fund Municipal General Division pension expense of \$2,050. At June 30, 2015, Village of Williamsburg reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 33
Net difference between projected and actual earnings on pension plan investments	-	19,228
Village of Williamsburg's contributions subsequent to the measurement date	4,815	-
Total	\$ 4,815	\$ 19,261

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**NOTE F - PERA PENSION PLAN - (CONTINUED)**

\$19,261 reported as deferred outflows of resources related to pensions resulting from Village of Williamsburg's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended</u> <u>June 30:</u>	<u>Amount</u>
2016	\$ 4,815
2017	4,815
2018	4,815
2019	4,815
2020	1
Thereafter	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair Value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	21.10%	5.00%
International Equity	24.80%	5.20%
Private Equity	7.00%	8.20%
Core and Global Fixed Income	26.10%	1.85%
Fixed Income Plus Sectors	5.00%	4.80%
Real Estate	5.00%	5.30%
Real Assets	7.00%	5.70%
Absolute Return	<u>4.00%</u>	4.15%
Total	<u><u>100.00%</u></u>	



**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

**NOTE F - PERA PENSION PLAN - (CONTINUED)**

***Discount rate:***

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.***

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Village of Williamsburg's net pension liability in each PERA Fund Division that Village of Williamsburg participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

**PERA Fund Municipal General Division**

	1% Decrease 6.75%	Current Rate 7.75%	1% Increase 8.75%
Village of Williamsburg's proportionate share of the net pension liability	\$ 92,653	\$ 49,147	\$ 15,536

***Pension plan fiduciary net position.***

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

***Payables to the pension plan.***

Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

***Summary of the Financial Effects of implementation of GASB 68***

	Debit	Credit
<b>Deferred Outflows of Resources generated by:</b>		
<i>Contributions Subsequent to Measurement Date</i>	\$ 4,815	\$
<b>Liability Established:</b>		
Net Pension Liability		49,147
<b>Deferred Inflows of Resources generated by:</b>		
Changes in Assumptions		33
Changes in Investment Experience		19,228
Adjustment to Village Pension Expense		2,765
Required Restatement	\$ 66,358	

**The Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**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; civil rights; inland marine; and workers compensation.

The Village pays an annual premium of \$10,645 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, 2015.

**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 \$9,219 of which \$953 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. Per the Treasurer the amount of previously assessed, due and uncollected taxes as of June 30, 2015 is \$22,946. The Village reflects this uncollected, previously assessed amount in the Balance Sheet as "Taxes Receivable" and "Unavailable Property Taxes", under the heading "Deferred Inflows of Resources". The Village believes all taxes receivable as reflected by the Treasurer to be collectable and have not made any allowance for uncollectable amounts.

**NOTE J - TRANSFERS AND INTERFUND LIABILITIES**

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 of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015

**NOTE J - TRANSFERS AND INTERFUND LIABILITIES - (CONTINUED)**

The Village made the following transfers and interfund balances at year end and during the fiscal year:

	<u>Due To</u>	<u>Due From</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Major Governmental Funds</b>				
General Fund	2,866		12,000	
Municipal Street Fund		1,544		
Law Enforcement Fund		1,131		
Flood Services Fund		1	30,000	
<b>Nonmajor Governmental Funds</b>				
Correction Fund	41			10,000
Lodgers Tax Fund		60		
Parks and Recreation Fund		11	3,000	
<b>Enterprise Fund</b>				
Sewer Fund		85		35,000
<b>Agency Fund</b>				
		75		
<b>Total</b>	<u>2,907</u>	<u>2,907</u>	<u>45,000</u>	<u>45,000</u>

**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.

**There were no individual funds with excess expenditures over appropriations.**

**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 September 2016. 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 September 12, 2013.

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 Village of Williamsburg**  
**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2015

**NOTE L - JOINT POWERS AGREEMENTS - (CONTINUED)**

The County of Sierra shall act as the fiscal agent for the SCCRDA 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.

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 23, 2015 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 23, 2015.

**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.

**REQUIRED SUPPLEMENTARY INFORMATION**



**The Village of Williamsburg**  
**Schedule of Employer's Proportionate Share of the Net Pension Liability of PERA Municipal General Division**  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2015</b>
Village of Williamsburg's proportion of the net pension liability	0.63 %
Village of Williamsburg's proportionate share of the net pension liability	\$ 49,147
Village of Williamsburg's covered-employee payroll	\$ 51,506
Village of Williamsburg's proportionate share of the net pension liability as a percentage of its covered-employee payroll	95.42 %
Plan fiduciary net position as a percentage of the total pension liability	81.29 %

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Village of Williamsburg will present information for those years for which information is available.

**The Village of Williamsburg**  
Schedule of Employer Contributions  
Public Employees Retirement Association (PERA) Plan  
PERA Municipal General Division  
Last 10 Fiscal Years\*

Contractually required contributions	\$ 4,815
Contributions in relation to the contractually required contribution	<u>(4,815)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village of Williamsburg's covered-employee payroll	<u>\$ 51,506</u>
Contributions as a percentage of covered-employee payroll	<u>9%</u>

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Village of Williamsburg will present information for those years for which information is available.

**The Village of Williamsburg**  
Notes to Required Supplementary Information  
June 30, 2015

**Changes of benefit terms.**

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.p df](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Changes of Assumptions.**

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-302014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-302014%20PERA%20Valuation%20Report_FINAL.pdf)

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report



**SUPPLEMENTARY INFORMATION**

**The Village of Williamsburg**  
**Special Revenue Funds**  
June 30, 2015

**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.

**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.

**The Village of Williamsburg**  
**Combining Balance Sheet**  
**Non Major Special Revenue Funds**  
June 30, 2015

	Corrections	Lodgers Tax	Recreation	Total
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 9,043	\$ 10,083	\$ 3,981	\$ 23,107
Due From Other Funds	41	-	-	41
<b>Total Assets</b>	<b>\$ 9,083</b>	<b>\$ 10,083</b>	<b>\$ 3,981</b>	<b>\$ 23,148</b>
 <b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable	\$ -	\$ 60	\$ 11	\$ 71
<b>Total Liabilities</b>	-	60	11	71
 <b>FUND BALANCES;</b>				
<b>Spendable</b>				
Restricted for:				
Public Safety	9,083	-	-	9,083
Culture and Recreation	-	10,024	3,969	13,993
<b>Total Fund Balances</b>	9,083	10,024	3,969	23,077
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,083</b>	<b>\$ 10,083</b>	<b>\$ 3,981</b>	<b>\$ 23,148</b>

*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, 2015

	Corrections	Lodgers Tax	Recreation	Total
<b>REVENUES</b>				
Taxes - Other	\$ -	\$ 1,916	\$ -	\$ 1,916
Charges for Services	744	-	-	744
Interest	(1)	5	2	5
	<u>743</u>	<u>1,921</u>	<u>2</u>	<u>2,666</u>
<b>Total Revenues</b>				
<b>EXPENDITURES</b>				
<i>Current:</i>				
Cultural and Recreation	-	2,557	78	2,635
	<u>-</u>	<u>2,557</u>	<u>78</u>	<u>2,635</u>
<b>Total Expenditures</b>				
	<u>-</u>	<u>2,557</u>	<u>78</u>	<u>2,635</u>
Excess (Deficiency) - Revenues over Expenditures	<u>743</u>	<u>(637)</u>	<u>(76)</u>	<u>30</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In (Out)	(10,000)	-	3,000	(7,000)
	<u>(10,000)</u>	<u>-</u>	<u>3,000</u>	<u>(7,000)</u>
Total other Financing Sources (Uses)				
	<u>(10,000)</u>	<u>-</u>	<u>3,000</u>	<u>(7,000)</u>
Net Change in Fund Balances	<u>(9,257)</u>	<u>(637)</u>	<u>2,924</u>	<u>(6,970)</u>
Fund Balance June 30, 2014	18,340	10,660	1,046	30,046
Required Restatement	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Fund Balance June 30, 2014	<u>18,340</u>	<u>10,660</u>	<u>1,046</u>	<u>30,046</u>
Fund Balance June 30, 2015	<u>\$ 9,083</u>	<u>\$ 10,024</u>	<u>\$ 3,969</u>	<u>\$ 23,077</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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for Services	\$ 800	\$ 800	\$ 744	\$ (56)
Interest	6	6	(1)	(7)
Total Revenues	806	806	743	(63)
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public Safety	-	5,000	-	5,000
Total Expenditures	-	5,000	-	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	806	(4,194)	743	4,937
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	(10,000)	(20,000)	10,000	30,000
Total Other Financing Sources (Uses)	10,000	20,000	(10,000)	(30,000)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	10,806	15,806	\$ (9,257)	\$ (25,063)
Budgeted Cash Carryover	(10,806)	(15,806)		
Total	\$ -	\$ -		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (9,257)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (9,257)

*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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes - Other	\$ 1,850	\$ 1,850	\$ 1,916	\$ 66
Interest	5	5	5	(0)
Total Revenues	1,855	1,855	1,921	66
<b>EXPENDITURES</b>				
<b>Current:</b>				
Cultural and Recreation	6,000	6,000	2,557	3,443
Total Expenditures	6,000	6,000	2,557	3,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,145)	(4,145)	(637)	3,508
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(4,145)	(4,145)	\$ (637)	\$ 3,508
Budgeted Cash Carryover	4,145	4,145		
Total	\$ -	\$ -		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (637)
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	\$ (637)

*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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Taxes - State Shared	\$ 1,200	\$ 1,200	\$ -	\$ (1,200)
Interest	20	20	2	(18)
Miscellaneous	5	5	-	(5)
	<u>1,225</u>	<u>1,225</u>	<u>2</u>	<u>(1,223)</u>
<b><u>EXPENDITURES</u></b>				
<b>Current:</b>				
Cultural and Recreation	1,500	1,500	78	1,422
	<u>1,500</u>	<u>1,500</u>	<u>78</u>	<u>1,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275)	(275)	(76)	199
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers in	3,000	3,000	3,000	-
Operating Transfers Out	-	-	-	-
	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	2,725	2,725	\$ <u>2,924</u>	\$ <u>199</u>
Budgeted Cash Carryover	(2,725)	(2,725)		
Total	<u>\$ -</u>	<u>\$ -</u>		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 2,924
Adjustments for Revenue Accruals	-
Adjustments for Expenditures Accruals	-
Net change in fund balance	<u>\$ 2,924</u>

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

**The Village of Williamsburg**  
**Enterprise Fund**  
June 30, 2015

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, 2015

	Original Approved Budget	Final Approved Budget	Actual	Budget Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Taxes - State Shared	\$ -	\$ -	\$ 837	\$ 837
Charges for Services	18,500	18,500	19,956	1,456
Interest	160	160	166	6
	<u>18,660</u>	<u>18,660</u>	<u>20,959</u>	<u>2,299</u>
Total Revenues				
<b><u>EXPENDITURES</u></b>				
<b>Current:</b>				
Public Works	10,000	10,000	1,357	8,643
	<u>10,000</u>	<u>10,000</u>	<u>1,357</u>	<u>8,643</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,660	8,660	19,602	10,942
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating Transfers in	-	-	-	-
Operating Transfers Out	(10,000)	(44,767)	35,000	79,767
	<u>10,000</u>	<u>44,767</u>	<u>(35,000)</u>	<u>(79,767)</u>
Total Other Financing Sources (Uses)				
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	18,660	53,427	\$ <u>(15,398)</u>	\$ <u>(68,825)</u>
Budgeted Cash Carryover	(18,660)	(53,427)		
Total	<u>\$ -</u>	<u>\$ -</u>		

**Budgetary - GAAP Reporting Reconciliation**

Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	\$ (15,398)
Adjustments for Revenue Accruals	(9,295)
Adjustments for Expenditures Accruals	<u>-</u>
Change in Net Position	\$ <u>(24,693)</u>

*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, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>ASSETS</u></b>				
Cash In Bank	\$ 837	\$ 405	\$ (417)	\$ 825
	<u>\$ 837</u>	<u>\$ 405</u>	<u>\$ (417)</u>	<u>\$ 825</u>
 <b><u>LIABILITIES</u></b>				
Due to Others Court	837	75 405	(417)	75 825
	<u>\$ 837</u>	<u>\$ 480</u>	<u>\$ (417)</u>	<u>\$ 900</u>

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

**The Village of Williamsburg**  
**Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)**  
For the Fiscal Year Ended June 30, 2015

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Award Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address per the Procurement Documentation, of ALL Vendors that Responded</u>	<u>In-State/Out-of State Vendor (Y or N) (Based on Statutory Definition)</u>	<u>Was the Vendor In- State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A</u>	<u>Brief Description of the Scope of Work</u>
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NONE

*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. Timothy M. Keller**

**State Auditor of the State of New Mexico**

**Board Members of the Village of Williamsburg**

**Mr. Keller 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, 2015, 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 23, 2015.

**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 I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **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 23, 2015**

**The Village of Williamsburg**  
**Schedule of Findings and Responses**  
For the Fiscal Year Ended June 30, 2015

**CURRENT STATUS OF PRIOR YEAR FINDINGS:**

2008-001 [2008-01] - Actual Expenditures Exceeded Amount Budgeted

**Resolved**

**CURRENT YEAR FINDINGS:**

There were no current year findings.

**The Village of Williamsburg**  
**Exit Conference**  
For the Fiscal Year Ended June 30, 2015

**Exit Conference -- Village of Williamsburg**

The exit conference was held November 23, 2015 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

Wanpen Root

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.