

**STATE OF NEW MEXICO  
VILLAGE OF WILLIAMSBURG  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Dan Austin CPA, PC  
Certified Public Accountant**

**STATE OF NEW MEXICO  
VILLAGE OF WILLIAMSBURG  
OFFICIAL ROSTER  
June 30, 2016**

**COUNCIL:**

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

**ADMINISTRATION**

Linda S. Bauer.....	Village Clerk/Treasurer
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**State of New Mexico  
 Village of Williamsburg  
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**State of New Mexico  
Village of Williamsburg  
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## Financial Section

**Dan Austin CPA, PC  
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Ruidoso, NM 88345**

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**INDEPENDENT AUDITORS' REPORT**

Mr. Tim Keller , State Auditor, and  
The Honorable Mayor and Village Council  
Village of Williamsburg  
Williamsburg, New Mexico

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds of Village of Williamsburg (the "Village") as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Village of Williamsburg' basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Village of Williamsburg's nonmajor governmental funds and the budgetary comparisons for the nonmajor governmental and fiduciary funds and all nonmajor funds and the budgetary comparisons for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents. We did not audit the 2015 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Public Employee Retirement Association (PERA), the administrator of the cost sharing pension plan for the Village. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village, is based solely on the report of the other auditors.

**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**

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

An audit involves performing procedures to obtain 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 Village of Williamsburg'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 Village of Williamsburg's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinion**

In our opinion, based on our report and the report of the other auditors, 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 Village of Williamsburg, as of June 30, 2016, and the respective changes in financial position 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 conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor

governmental fund and fiduciary fund of Village of Williamsburg as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the Management Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by GASB 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *Schedule of the Proportionate Share of the Net Pension Liability* on page 41, the *Schedule of Contributions* on page 42, and the notes to the required supplementary information page 43 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. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

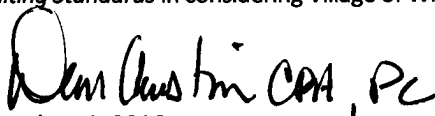
### **Other Information**

Our audit was conducted for the purpose of forming opinions on Village of Williamsburg's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are 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 statement 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 auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Village of Williamsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Williamsburg's internal control over financial reporting and compliance.



December 1, 2016  
Ruidoso, New Mexico

## Basic Financial Statments



State of New Mexico  
Village of Williamsburg  
Statement of Net Position  
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 563,217	\$ 175,107	\$ 738,324
Receivables	32,818	3,039	35,857
Other	-	-	-
Total Current Assets	<u>596,035</u>	<u>178,146</u>	<u>774,181</u>
<b>Noncurrent Assets</b>			
Net Capital Assets	<u>794,476</u>	<u>92,336</u>	<u>886,812</u>
Total Noncurrent Assets	<u>794,476</u>	<u>92,336</u>	<u>886,812</u>
<b>Deferred Outflows of Resources</b>			
Post Measurement Date Contributions - Employer	<u>5,682</u>	<u>-</u>	<u>5,682</u>
Total Deferred Outflows of Resources	<u>5,682</u>	<u>-</u>	<u>5,682</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 1,396,193</u>	<u>\$ 270,482</u>	<u>\$ 1,666,675</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 2,019	\$ 47	\$ 2,066
Accrued Compensated Absences	<u>5,587</u>	<u>-</u>	<u>5,587</u>
Total Current Liabilities	<u>7,606</u>	<u>47</u>	<u>7,653</u>
<b>Noncurrent Liabilities</b>			
Net Pension Payable	<u>63,214</u>	<u>-</u>	<u>63,214</u>
Total Noncurrent Liabilities	<u>63,214</u>	<u>-</u>	<u>63,214</u>
Total Liabilities	<u>70,820</u>	<u>47</u>	<u>70,867</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows-Property Taxes	26,995	-	26,995
Changes in Proportionate Share of Contributions-Pensions	596	-	596
Difference Between Expected and Actual earnings-Pensions	1,400	-	1,400
Change in Assumptions-Net Pension Liability	25	-	25
Net Difference between projected and actual investments-Pensions	<u>200</u>	<u>-</u>	<u>200</u>
Total Deferred Inflows	<u>29,216</u>	<u>-</u>	<u>29,216</u>
<b>Net Position</b>			
Net Investment in Capital Assets	794,476	92,336	886,812
Restricted For:			
Special Revenue Funds	79,651	178,099	257,750
Unrestricted	<u>422,030</u>	<u>-</u>	<u>422,030</u>
Total Net Position	<u>1,296,157</u>	<u>270,435</u>	<u>1,566,592</u>
<b>Total Liabilities, Net Position and Deferred Inflows</b>	<u>\$ 1,396,193</u>	<u>\$ 270,482</u>	<u>\$ 1,666,675</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

State of New Mexico  
 Village of Williamsburg  
 Statement of Activities  
 For The Year Ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue And Changes In Net Assets			
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 210,176	\$ 4,693	\$ 126,865	\$ -	\$ (78,618)	\$ -	\$ (78,618)
Public Safety	46,268	1,884	20,000	-	(24,384)	-	(24,384)
Highways and Streets	66,459	-	-	-	(66,459)	-	(66,459)
Culture and Recreation	32,018	-	-	-	(32,018)	-	(32,018)
Total Governmental Activities	354,921	6,577	146,865	-	(201,479)	-	(201,479)
<b>Business-Type Activities:</b>							
Sewer and Solid Waste	10,598	22,145	-	-	-	11,547	11,547
Total Business-Type Activities	10,598	22,145	-	-	-	11,547	11,547
Total Primary Government	\$ 365,519	\$ 28,722	\$ 146,865	\$ -	\$ (201,479)	\$ 11,547	\$ (189,932)

<b>General Revenues:</b>						
Property Taxes, Levied for General Purposes	11,160	-	-	-	-	11,160
Gross Receipts Tax, Levied for General Purposes	78,456	-	-	-	-	78,456
Franchise Taxes	6,985	-	-	-	-	6,985
Gas Tax	9,177	-	-	-	-	9,177
Lodgers Tax	2,055	-	-	-	-	2,055
Environmental Gross Receipts	1,349	-	-	-	-	1,349
Intergovernmental	27,349	-	-	-	-	27,349
Investment Income	244	138	-	-	-	382
Interfund Transfers	20,000	(20,000)	-	-	-	-
Total General Revenues	156,775	(19,862)	-	-	-	136,913
Change in Net Position	(44,704)	(8,315)	-	-	-	(53,019)
Net Position - Beginning	1,340,861	278,750	-	-	-	1,619,611
Net Position - Ending	\$ 1,296,157	\$ 270,435	-	-	-	\$ 1,566,592

The accompanying notes to the basic financial statements are an integral part of this statement.

State of New Mexico  
Village of Williamsburg  
Balance Sheet - Government Funds  
June 30, 2016

	General Fund	Municipal Street Fund	Law Enforcement Fund	Flood Control Fund	Non Major Governmental Funds	Totals Governmental Funds
<b>Assets</b>						
Cash	\$ 448,118	\$ 47,982	\$ 2,221	\$ 30,230	\$ 34,666	\$ 563,217
Taxes Receivable	<u>32,818</u>	-	-	-	-	<u>32,818</u>
<b>Total Assets</b>	<b><u>\$ 480,936</u></b>	<b><u>\$ 47,982</u></b>	<b><u>\$ 2,221</u></b>	<b><u>\$ 30,230</u></b>	<b><u>\$ 34,666</u></b>	<b><u>\$ 596,035</u></b>
<b>Liabilities</b>						
Accounts Payable	\$ 1,057	\$ 626	\$ 336	\$ -	\$ -	\$ 2,019
Deferred Inflows -Property Tax	<u>26,995</u>	-	-	-	-	<u>26,995</u>
<b>Total Liabilities</b>	<b><u>28,052</u></b>	<b><u>626</u></b>	<b><u>336</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,014</u></b>
<b>Fund Balances</b>						
<b>Restricted For:</b>						
General Fund	-	-	-	-	-	-
Special Revenue	-	47,356	1,885	30,230	34,666	114,137
<b>Unassigned For:</b>						
General Fund	<u>452,884</u>	-	-	-	-	<u>452,884</u>
<b>Total Fund Balances</b>	<b><u>452,884</u></b>	<b><u>47,356</u></b>	<b><u>1,885</u></b>	<b><u>30,230</u></b>	<b><u>34,666</u></b>	<b><u>567,021</u></b>
<b>Total Liabilities deferred inflows of Resources and Fund Balances</b>	<b><u>\$ 480,936</u></b>	<b><u>\$ 47,982</u></b>	<b><u>\$ 2,221</u></b>	<b><u>\$ 30,230</u></b>	<b><u>\$ 34,666</u></b>	<b><u>\$ 596,035</u></b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Reconciliation of Total Governmental Fund Balance**  
**To Net Position of Governmental Activities**  
**June 30, 2016**

Total Governmental Fund Balance	\$ 567,021
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	794,476
Deferred Inflow of Post Measurement Pension Contributions on government wide statements	5,682
Deferred Outflows and Inflows related to Pensions	(2,221)
Compensated absences payable not reported as liabilities on the governmental fund statements	(5,587)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Net Pensions Payable	<u>(63,214)</u>
Net Position of Governmental Activities	<u>\$ 1,296,157</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

State of New Mexico  
Village of Williamsburg  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For The Year Ended June 30, 2016

	General Fund	Municipal Street Fund	Law Enforcement Fund	Flood Control Fund	Non Major Governmental Funds	Totals Governmental Funds
<b>Revenues</b>						
Taxes-Property	\$ 9,105	\$ -	\$ -	\$ -	\$ 2,055	\$ 11,160
Taxes-State Shared	55,878	-	-	-	-	55,878
Taxes-Franchise	6,985	-	-	-	-	6,985
Taxes-Other	11,542	9,177	-	-	-	20,719
Licenses And Permits	1,204	-	-	-	-	1,204
Intergovernmental-State	130,041	-	20,000	27,013	11,600	188,654
Fines And Forfeitures	1,884	-	-	-	-	1,884
Investment Income	244	-	-	-	-	244
Miscellaneous	2,089	1,400	-	-	-	3,489
<b>Total Revenues</b>	<b>218,972</b>	<b>10,577</b>	<b>20,000</b>	<b>27,013</b>	<b>13,655</b>	<b>290,217</b>
<b>Expenditures</b>						
General Government	199,639	-	-	-	-	199,639
Public Safety	25,000	-	17,053	3,975	240	46,268
Highway And Streets	-	13,666	-	-	-	13,666
Culture And Recreation	3,447	-	-	-	25,825	29,272
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>228,086</b>	<b>13,666</b>	<b>17,053</b>	<b>3,975</b>	<b>26,065</b>	<b>288,845</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>(9,114)</b>	<b>(3,089)</b>	<b>2,947</b>	<b>23,038</b>	<b>(12,410)</b>	<b>1,372</b>
<b>Other Financing Sources (Uses):</b>						
Operating Transfers, Net	(4,000)	-	-	-	24,000	20,000
<b>Total Other Financing Sources (Uses)</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,000</b>	<b>20,000</b>
<b>Net Change in Fund Balances</b>	<b>(13,114)</b>	<b>(3,089)</b>	<b>2,947</b>	<b>23,038</b>	<b>11,590</b>	<b>21,372</b>
<b>Beginning Fund Balance as Previously Stated</b>						
	402,405	50,445	(1,062)	7,192	23,076	482,056
<b>Restatement</b>	<b>63,593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,593</b>
<b>Beginning Fund Balance as Restated</b>	<b>465,998</b>	<b>50,445</b>	<b>(1,062)</b>	<b>7,192</b>	<b>23,076</b>	<b>545,649</b>
<b>Fund Balance (Deficit) At End Of Year</b>						
	\$ 452,884	\$ 47,356	\$ 1,885	\$ 30,230	\$ 34,666	\$ 567,021

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of Governmental Funds to**  
**the Statement of Activities**  
**June 30, 2016**

Net Change in Fund Balances - Total Governmental Funds	\$ 21,372
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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. This is the amount by which depreciation expense was more than capital outlays in the current period.</p>	
Depreciation Expense	(67,518)
Net change in compensated absences payable for governmental funds	(2,398)
Net change in pension contributions and pension expense	<u>3,840</u>
Change in Net Position of Governmental Activities	<u>\$ (44,704)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

State of New Mexico  
Village of Williamsburg  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budgeted to Actual (Non-GAAP Budgetary Basis) - General Fund  
For The Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes-Property	\$ 8,900	\$ 10,100	\$ 9,649	\$ (451)
Taxes-State Shared	22,600	17,400	57,659	40,259
Taxes-Franchise	13,000	13,000	9,145	(3,855)
Taxes-Other	10,000	10,000	11,542	1,542
Licenses And Permits	1,900	1,200	1,204	4
Intergovernmental	153,819	153,819	128,229	(25,590)
Fines and Forfeitures	1,900	1,900	1,884	(16)
Interest	150	210	244	34
Other	15,000	2,100	2,089	(11)
Total Revenue	227,269	209,729	221,645	\$ 11,916
Budgeted Cash Balance	456,302	456,302		
Total Revenue And Cash	\$ 683,571	\$ 666,031		
<b>EXPENDITURES</b>				
Current				
General Government	161,900	161,200	200,248	(39,048)
Public Safety	45,000	45,000	25,000	20,000
Culture And Recreation	10,000	12,000	3,447	8,553
Other	-	-	-	-
Total Expenditures	216,900	218,200	228,695	(10,495)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers (Net)	-	(4,000)	(4,000)	-
Total Expenditures And Other Financing Sources	\$ 216,900	\$ 222,200	232,695	\$ (10,495)
Total Revenues (Expenditures and Other Financing Sources and Uses)			(11,050)	
Reconciliation to GAAP Basis				
Changes in Receivables			1,376	
Changes in Deferred Income			(4,049)	
Changes in Accounts Payable			(268)	
Changes in Accrued Payroll			877	
Excess (Deficiency) of Revenues over expenditures			\$ (13,114)	

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis) -- Municipal Street Fund**  
**For The Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Taxes	\$ -	\$ 10,000	\$ 9,177	\$ (823)
Other Income	-	-	1,400	1,400
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	-	10,000	10,577	<u>\$ 577</u>
Budgeted Cash Balance	<u>2,302</u>	<u>2,302</u>		
Total Revenue And Cash	<u>\$ 2,302</u>	<u>\$ 12,302</u>		
<b>EXPENDITURES</b>				
Current				
Highways and Streets	-	-	13,353	(13,353)
Capital Outlay	-	15,000	-	15,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	15,000	13,353	1,647
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers (Net)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures And Other Financing Sources	<u>\$ -</u>	<u>\$ 15,000</u>	<u>13,353</u>	<u>\$ 1,647</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(2,776)	
Reconciliation to GAAP Basis				
Changes in Accounts Payable			(313)	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (3,089)</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.



**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis) -- Law Enforcement Fund**  
**For The Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Investment Income	-	-	-	-
Total Revenue	20,000	20,000	20,000	\$ -
Budgeted Cash Balance	780	780		
Total Revenue And Cash	\$ 20,780	\$ 20,780		
 <b>EXPENDITURES</b>				
Current				
Public Safety	22,261	22,261	17,428	4,833
Capital Outlay	-	-	-	-
Total Expenditures	22,261	22,261	17,428	4,833
 <b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers (Net)	-	-	-	-
Total Expenditures And Other Financing Sources	\$ 22,261	\$ 22,261	17,428	\$ 4,833
Total Revenues (Expenditures and Other Financing Sources and Uses)			2,572	
Reconciliation to GAAP Basis				
Changes in Inventory			-	
Changes in Accounts Payable			375	
Changes in Accrued Payroll			-	
Excess (Deficiency) of Revenues over expenditures			\$ 2,947	

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico  
Village of Williamsburg  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budgeted to Actual (Non-GAAP Budgetary Basis) -- Flood Control Fund  
For The Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Intergovernmental	\$ 22,013	\$ 22,013	\$ 27,013	\$ 5,000
Investment Income	-	-	-	-
 Total Revenue	 22,013	 22,013	 <u>27,013</u>	 <u>\$ 5,000</u>
 Budgeted Cash Balance	 <u>7,193</u>	 <u>7,193</u>		
 Total Revenue And Cash	 <u>\$ 29,206</u>	 <u>\$ 29,206</u>		
 <b>EXPENDITURES</b>				
Current				
Public Safety	12,000	12,000	3,975	8,025
Capital Outlay	-	-	-	-
 Total Expenditures	 12,000	 12,000	 3,975	 8,025
 <b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers (Net)	-	-	-	-
 Total Expenditures And Other Financing Sources	 <u>\$ 12,000</u>	 <u>\$ 12,000</u>	 <u>3,975</u>	 <u>\$ 8,025</u>
 Total Revenues (Expenditures and Other Financing Sources and Uses)			 23,038	
 Reconciliation to GAAP Basis				
Changes in Accounts Payable			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 23,038</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2016**

	<b>Business Type Activity</b>
	<u>Sewer Solid Waste</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 175,107
Customer Accounts Receivable, Net of Allowance For Doubtful Accounts	3,039
Inventory	<u>-</u>
Total Current Assets	178,146
<b>NONCURRENT ASSETS</b>	
Net Capital Assets	<u>92,336</u>
Total Assets	<u><u>\$ 270,482</u></u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ <u>47</u>
Total Current Liabilities	<u>47</u>
Total Liabilities	<u>47</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	92,336
Restricted For:	
Unrestricted	<u>178,099</u>
Total Net Position	<u>270,435</u>
Total Liabilities And Net Position	<u><u>\$ 270,482</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2016**

	<b>Business Type Activity</b>
	<u>Sewer Solid Waste</u>
<b>OPERATING REVENUES</b>	
Charges For Services-Sewer/Solid Waste	\$ 22,145
Total Operating Revenues	<u>22,145</u>
<b>OPERATING EXPENSES</b>	
Operations And Maintenance	1,447
Depreciation	<u>9,151</u>
Total Operating Expenses	<u>10,598</u>
<b>OPERATING INCOME (LOSS)</b>	<u>11,547</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Income	138
EGR Tax	-
Interest Expense	<u>-</u>
Total Non-Operating Items	<u>138</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	11,685
<b>TRANSFERS IN (OUT)</b>	<u>(20,000)</u>
Change In Net Position	(8,315)
<b>TOTAL NET POSITION AT BEGINNING OF YEAR</b>	<u>278,750</u>
<b>TOTAL NET POSITION AT END OF YEAR</b>	<u>\$ 270,435</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2016**

	<b>Business Type Activity</b>
	<u>Sewer Solid Waste</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received From Customers	\$ 20,655
Cash Paid To Suppliers	<u>(1,579)</u>
Net Cash Provided By Operating Activities	<u>19,076</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Capital Transfers - Other Funds	<u>(20,000)</u>
Net Cash Provided From Noncapital Financing Activities	<u>(20,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Payments for Capital Assets	<u>138</u>
Net Cash Provided From Investing Activities	<u>138</u>
Net Increase In Cash	(786)
Cash and Cash Equivalents - Beginning Of Year	-
Cash and Cash Equivalents - End Of Year	<u>\$ (786)</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ 11,547
Noncash Items In Net Income-Depreciation	9,151
(Increase) Decrease In:	
Accounts Receivable	(1,491)
Accounts Receivable	<u>(131)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 19,076</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico  
Village of Williamsburg  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
For The Year Ended June 30, 2016**

**ASSETS**

Cash	<u>\$ 921</u>
Total Assets	<u><u>\$ 921</u></u>

**LIABILITIES**

Refunds Payable to Others	<u>\$ 921</u>
Total Liabilities	<u><u>921</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
VILLAGE OF WILLIAMSBURG  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY, MISSION AND ORGANIZATION

Village of Williamsburg (Village) was incorporated under the laws of the State of New Mexico under Chapter 3, Article 2 NMSA 1978 as amended in the 1949. 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

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles accepted in the United States of America (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Village's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB statement No. 61. Although legally separate entities, blended component units are in substance part of the government's operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village has no component units, and is not a component unit of another governmental agency.

B. Government Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities and Changes in Net Position) report information on all of the non-fiduciary activities of the Village. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to the compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets the Village holds for others in an agency capacity.

Governmental funds are used to account for the Village's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental major governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Municipal Street Fund (Special Revenue Fund)* is used to account for special gasoline tax received by the Village from state sources for use in repairing and maintaining roads and streets within the municipality. The fund was created by 7-1-6.9 and 7-13-1 to 18 NMSA 1978.

The *Law Enforcement Protection Fund (Special Revenue Fund)* accounts for the receipts of a State of New Mexico Law Enforcement grant and expenditures to provide law enforcement services to residents of the Village. The fund was created by 18-13-3 NMSA 1978.

The *Flood Control Fund (Special Revenue Fund)* accounts for the receipts of a State of New Mexico Water Research, Conservation and Development Act. Resources are used to maintain and improvement of flood control assets of the Village. The fund was created by 75-2-1 NMSA 1978.

The Village reports its proprietary funds as major business-type funds.

The *Sewer Fund* is used to account for the provision of sewer services to the residents of Williamsburg, New Mexico. All activities



necessary to provide these services are accounted for in this fund.

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

Program revenues included in the Statement of Activities reduce the cost of the function to be financed from the Village's general revenues. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) program-specific operating grants and contributions and 3) program-specific capital grants and contributions including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for services for the Village's various utilities. The enterprise fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

GASB 63 requires certain financial reporting of deferred outflows of resources, deferred inflows of resources, and net position and GASB 65 helps to identify items which were previously reported as assets and liabilities that are now reported as deferred resources.

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period.

#### **D. Assets, Liabilities and Net Position or Equity**

*Cash and Investments:* The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with maturities of six months or less from the date of acquisition. State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Governments, and the State Treasurer's Investment Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the Village. The pledged securities remain in the name of the financial institution.

Investments for the Village are reported at fair value.

*Receivables and Payables:* All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables include taxes and amounts due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

*Inventory of Supplies:* Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method.

The cost of inventories are recorded as expenditures when purchased rather than when consumed.

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported capital assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	40 years
Buildings and Building Improvements	40 years
Infrastructure	10-20 years
Heavy Equipment	10-20 years
Vehicles and Equipment	5-10 years
Computer Equipment	3-5 years

The Village does not capitalize computer software or software developed for internal use (if applicable) unless it exceeds the \$5,000 threshold.

**Estimates:** The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the Village's financial statements include management's estimate of the useful lives of capital assets.

**Deferred Outflow of Resources:** In addition to assets, the balance sheet 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. The Village has two types of items that qualify for reporting in this category. Accordingly, the items, change in proportion and employer contributions subsequent to measurement date, are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

**Deferred Inflow of Resources:** In addition to liabilities, the balance sheet 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 inflow of resources. The Village has GASB 63 amended previous guidance on unearned revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is the acquisition of net assets by the government that is applicable to a future reporting period.

**Compensated Absences:** It is the policy of the Village to permit certain employees to accumulate a limited amount of earned but unused vacation which will be paid to employees upon separation from the Village's service. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirements. Sick pay does not vest and is recorded as an expenditure when it is paid.

**Long Term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position:** Net position represents the difference between assets and liabilities.

*Net investment in capital assets*, net of related debt consists of net position including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

*Restricted Net Position*, for the Government-wide Statement of Net Position, net positions are reported as restricted when constraints placed on net positions use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position*, this category reflects net position of the Village, not restricted for any project or other purpose. When the Village incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

**Fund Balances:** In the fund financial statements, governmental fund balances are classified as follows:

*Nonspendable* fund balance indicates that portion of fund equity is not spendable such as inventory.

*Restricted* fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources, providers, or through enabling legislation.

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

*Unassigned* fund balance is the residual amount that is not restricted or committed.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classification - committed, assigned and then unassigned fund balances.

The Village's policy is to apply restricted resources first, committed resources second, assigned resources third, and unassigned resources last when an expense is included for purposes for which all or any fund balance classification is available.

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2-STEWARDSHIP. COMPLIANCE AND ACCOUNTABILITY**

**Budget Requirements. Accounting and Reporting**

All budgets are adopted on the cash basis of accounting, which is inconsistent with Generally Accepted Accounting Principles (GAAP). Budgetary comparison statements present budget and actual amounts on the budgetary basis of accounting (cash basis).

The Village is required to follow the procedures established by the New Mexico Department of Finance and Administration when developing its budgets, as follows:

1. The Fiscal Officer 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.
2. Public hearings are conducted at the Village offices to obtain public comment.
3. The budget is tentatively approved by the Village Council, and final approval is ultimately made by the Department of Finance and Administration, Local Government Division.
4. The Fiscal Officer requests authorization from the Village Council to transfer budget amounts within departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Commission and by the Local Government Division of the Department of Finance and Administration, State of New Mexico.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Amendments to the budget, including operating transfers, which increase or decrease a fund's total budgeted expenditures that must be approved by the Village Council and the Local Government Division of the Department of Finance and Administration, State of New Mexico. Amendments made to the original budget are included in the budgetary comparison schedules of this report, which reflect actual to budget.

Budgets and amendments to the budgets for all funds are adopted in a legally permissible manner. The legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level. Outstanding encumbrances lapse at year end but may be re-budgeted in the next year's budget. The Village did not use encumbrance accounting during the year ended June 30, 2016.

**NOTE 3. CASH AND CASH EQUIVALENTS**

The Village's policy is to limit cash deposits to insured and/or collateralized demand deposit accounts, certificates of deposit. All bank balances or deposits as of the balance sheet date were collateralized with securities pledged to the Village in accordance with state statutes. The carrying amount of Village's deposits with financial institutions was \$739,045 and the bank balances were \$741,968.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: a. Uncollateralized, b. Collateralized with irrevocable letter issued by a financial institution, or c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2016, \$162,878 of the \$741,698 of the Village's bank balance was exposed to custodial credit risk as follows:

	Cash <u>In Banks</u>
Total Deposits at Depository or Invested	\$ 741,698
Less: FDIC Insurance	<u>(578,820)</u>
Uninsured public funds	<u>\$ 162,878</u>
Required Pledge (50%)	\$ 81,439
Pledged collateral held by depository trust department but not in Village's name	<u>(529,366)</u>
(Over) Under Uninsured and uncollateralized	<u>\$ (447,927)</u>

See page 74 of this report for a listing of all of the Village's depository accounts.

**NOTE 4. RECEIVABLES**

As of June 30, 2016, the Village has included receivable within the government fund types and the proprietary enterprise fund. The receivables consist primarily of revenues earned as of June 30, 2016 from or payable by other government entities.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Municipal Taxes	\$ 1,812	\$ -
State Shared Taxes	3,076	-
Fees for Services	-	3,039
Franchise Taxes	877	-
Property Taxes	<u>27,053</u>	<u>-</u>
<b>Total</b>	<u>\$ 32,818</u>	<u>\$ 3,039</u>

**NOTE 5. LIABILITY FOR COMPENSATED ABSENCES**

Vacation leave is earned by employees during the year based on time worked and is non-cumulative. Vacation leave due, if any, is paid on an employee's termination. The accrued value of the vacation leave due to employees at June 30, 2016 is \$5,587.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Government Funds	\$ 3,189	\$ 2,398	\$ -	\$ 5,587	\$ 5,587
<b>Total</b>	<u>\$ 3,189</u>	<u>\$ 2,398</u>	<u>\$ -</u>	<u>\$ 5,587</u>	<u>\$ 5,587</u>

Sick leave is also earned by employees based on length of employment during the year and is also non-cumulative. Compensation for sick leave is limited to time-off and is not monetarily compensated.

Compensated absences are paid from the fund from which the respective liability originated. These liabilities originate in the General Fund.

**NOTE 6. LONG-TERM DEBT**

The Village has no long-term debt.

**NOTE 7. JOINT POWERS AGREEMENTS**

The Village is party to three joint powers agreements which are material in nature.

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-I et seq. SCRDA shall be a separate legal entity and empowered to exercise the common power to provide a communication/dispatch center to serve the Emergency Services Located in Sierra County, to include but not limited to: Law Enforcement, Fire, EMS, and after hours utilities to the State, County and Municipalities within.

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

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

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

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

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

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

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 8. RISK MANAGEMENT AND LITIGATION**

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has obtained insurance through a commercial carrier to insure against potential losses and claims. The premiums are based on payroll and other expenditures, and are not directly related to claims filed. The policies are retrospectively rated and premiums may be adjusted after year end, based on the ultimate level of expenditures.

## **NOTE 9. CONTINGENT LIABILITIES**

The wastewater treatment plant, discussed in Note6, is a participant in a Joint Use Board which has acquired a loan from the state of New Mexico to finance a portion of these improvements in the amount of \$1,513,154. The Village is a guarantor of that debt and is billed by the Joint Use Board for its respective share of the debt service expenditures.

## NOTE 10. RETIREE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D. of Chapter 6, Laws of 1990, the Village has elected not to participate in the program by adoption of Ordinance 1990-02.

## NOTE 11. PERA PENSION PLAN

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose,

benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Plan Description.** 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 I in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at <http://wwwv.nmpera.org>.

**Contributions.** The contribution requirements of defined benefit plan members and the Village 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 FY 14 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 FY 15 annual audit report at [http://osanm.org/media/audits/366 Public Employees Retirement Association 2015.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf). The PERA coverage options that apply to Village are: General Division, Fire Division and Police Division. Statutorily required contributions to the pension plan from the Village were \$5,682 and employer paid member benefits that were "picked up" by the employer were \$0 for the year ended June 30, 2016.

**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, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015.

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'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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 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 Division - the Village's General Division, at June 30, 2016, the Village reported a liability of \$63,214 for its proportionate share of the net pension liability. At June 30, 2015, the Village's proportion was 0.0063 percent, which was unchanged from its proportion measured as of June 30, 2014. due to the insignificance of the difference.

For the year ended June 30, 2016, the Village recognized PERA Fund - General, pension expense of \$3,461. At June 30, 2016, the Village reported PERA Fund Division - General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,400
Change of assumptions	-	25
Changes in Proportionionate Share of Contributions		596
Net Difference between projected and actual earnings on pension investments	-	200
Village of Williamsburg contributions subsequent to the measurement date	<u>5,682</u>	<u>-</u>
Total	<u>\$ 5,682</u>	<u>\$ 2,221</u>

The Village reported \$5,682 was reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2017	\$ (1,674)
2018	(1,674)
2019	(1,674)
2020	3,398
2021	-
There After	-

**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, 2014 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, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2014
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 of rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected benefit payment	100 Years
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate



• Mortality Assumption	RP-2000 Mortality Tables (Combined table for Healthy post retirements, Employee table for active members, and disabled table of disabled retirees before retirement age) with projection to 2018 using Scale AA.
• Experience Study Dates	July 1, 2008 to June 30, 2013

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:

ALL FUNDS - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	4.0	4.15
Total	100.0%	

**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 Village'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 the Village's net pension liability in each PERA Fund Division that Village 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 Division - General	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Village's proportionate share of the net pension liability	\$ 107,629	\$63,214	\$26,287

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 15 Restated PERA financial report. The report is available at <http://www.nmpera.org/publications.html>.

**Payables to the pension plan.** At June 30, 2016, the Village had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2016.

#### NOTE 12. PROPERTY TAXES

Property taxes include amounts levied against all real property and all tangible personal property used in businesses located in the Village. The Sierra County Treasurer bills and collects the Village's tax levy, which is payable in two installments on November 10 and April 10. Property taxes attach as an enforceable lien on January 1. Collections by the County are remitted to the Village monthly. No allowance for uncollectible taxes has been recorded since; all taxes are considered collectible by the County Treasurer. As of June 30, 2016, all uncollected taxes are considered delinquent.

**NOTE 13. SURETY BONDS**

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

**NOTE 14. INTERFUND TRANSACTIONS**

Transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. During the year \$4,000 from General Fund and \$20,000 from Sewer Solid Waste Fund was transferred to the Recreation Fund.

**NOTE 15. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance 6/30/15	Additions	(Reductions)	Balance 6/30/16
<b>Government Activities:</b>				
Capital Assets not being Depreciated				
Land	\$ 18,507	\$ -	\$ -	\$ 18,507
Total capital assets not being depreciated	<u>18,507</u>	<u>-</u>	<u>-</u>	<u>18,507</u>
Capital Assets Being depreciated:				
Buildings and improvements	486,481	-	-	486,481
Streets and other infrastructure	1,383,168	-	-	1,383,168
Equipment	132,109	-	-	132,109
Total capital assets being depreciated	<u>2,001,758</u>	<u>-</u>	<u>-</u>	<u>2,001,758</u>
Less: accumulated depreciation for				
Buildings and improvements	306,028	11,979	-	318,007
Streets and other infrastructure	725,775	52,793	-	778,568
Equipment	126,468	2,746	-	129,214
Total accumulated depreciation	<u>1,158,271</u>	<u>67,518</u>	<u>-</u>	<u>1,225,789</u>
Total capital assets being depreciated, net	<u>843,487</u>	<u>(67,518)</u>	<u>-</u>	<u>775,969</u>
Government activity capital assets, net	<u>\$ 861,994</u>	<u>\$ (67,518)</u>	<u>\$ -</u>	<u>\$ 794,476</u>
<b>Business Type Activities:</b>				
Capital Assets Being depreciated:				
Village Lift Stations	\$ 366,046	\$ -	\$ -	\$ 366,046
Other	-	-	-	-
Total capital assets being depreciated	<u>366,046</u>	<u>-</u>	<u>-</u>	<u>366,046</u>
Less: accumulated depreciation for				
Village Lift Stations	264,559	9,151	-	273,710
Other	-	-	-	-
Total accumulated depreciation	<u>264,559</u>	<u>9,151</u>	<u>-</u>	<u>273,710</u>
Business-type activity capital assets, net	<u>\$ 101,487</u>	<u>\$ (9,151)</u>	<u>\$ -</u>	<u>\$ 92,336</u>
Governmental activity depreciation was charged to functions as follows:				
General Government	\$ 11,979			
Highway and Streets	52,793			
Culture and recreation	2,746			
Total depreciation	<u>\$ 67,518</u>			

## **NOTE 16. SUBSEQUENT ACCOUNTING STANDARDS PRONOUNCEMENTS**

Other accounting standards that Village of Williamsburg is currently reviewing for applicability and potential impact on the financial statements include:

*GASB 72, Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. This definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016. The Village has no assets subject to this statement in the current year.

*GASB 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPKB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement will be effective for the year ended June 30, 2017. The Village has no plans applicable to this statement.

*GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by 1 employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPKB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans establishes new accounting and financial reporting requirements for OPKB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPKB, this Statement identifies the methods and assumptions that are required to 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. Note disclosure and required supplementary information requirements about defined benefit OPFB also are addressed. This Statement will be effective for the year ended June 30, 2018. The Village has no plans applicable to this statement.

*GASB 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement was effective for the year ended June 30, 2016.

### **Note 17 SUBSEQUENT REVIEW**

The Village of Williamsburg has evaluated the subsequent events through December 1, 2016 which is the date the statements were available for issuance.

### **Note 18 RESTATEMENTS**

Pension Liabilities were reported in the fund financial statements in the prior year. The fund financial statement were restated to correct that error.

### **Note 19 Over Expended Budget**

The general fund over expended its budget in violation of budget statutes in the amount of \$10,495

## NON MAJOR FUNDS

**Correction Fund** -- to account for the operations and maintenance of the Village correctional facility. Financing is provided by a special charge of \$5 per traffic ticket. Such fines may only be used for improvements to and operation of the jail. Authority is Section 35-14-11 NASA 197

**Lodgers' Tax Fund** -- to account for the operation of promotional activity for the Village, mostly through payment to promotion oriented agencies. Financing is provided primarily by a specific tax levy on area motels and hotels. Authority is Section 3-38-15 NMSA 1978.

**Recreation Fund** -- to account for the operation and maintenance of the Village owned parks. Financing is provided by the cigarette tax. Authority is Section 7-12-15 NASA 1978.

State of New Mexico  
 Village of Williamsburg  
 Combining Balance Sheet -- Nonmajor Funds  
 June 30, 2016

	Corrections Fund	Lodgers Tax Fund	Recreation Fund	Totals
<b>ASSETS</b>				
Cash In Bank	\$ 9,443	\$ 8,839	\$ 16,384	\$ 34,666
Taxes Receivable	-	-	-	-
Grants Receivable	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 9,443</u></b>	<b><u>\$ 8,839</u></b>	<b><u>\$ 16,384</u></b>	<b><u>\$ 34,666</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCE</b>				
Restricted	9,443	8,839	16,384	34,666
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<b><u>9,443</u></b>	<b><u>8,839</u></b>	<b><u>16,384</u></b>	<b><u>34,666</u></b>
<b>Total Liabilities And Fund Balance</b>	<b><u>\$ 9,443</u></b>	<b><u>\$ 8,839</u></b>	<b><u>\$ 16,384</u></b>	<b><u>\$ 34,666</u></b>

The accompanying notes to the basic financial statements are an integral part of this statement.

State of New Mexico  
Village of Williamburg  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance - Nonmajor Funds  
For The Year Ended June 30, 2016

	Corrections Fund	Lodgers Tax Fund	Recreation Fund	Totals
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,055	\$ -	\$ 2,055
Intergovernmental-State	600	-	11,000	11,600
Intergovernmental-Federal	-	-	-	-
Charges For Services	-	-	-	-
Loan Proceeds	-	-	-	-
Fines And Forfeits	-	-	-	-
<b>Total Revenues</b>	<u>600</u>	<u>2,055</u>	<u>11,000</u>	<u>13,655</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	-	-	-	-
Public Safety	240	-	-	240
Highways And Streets	-	-	-	-
Culture, Recreation and Promotion	-	3,240	22,585	25,825
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Capital Leases	-	-	-	-
<b>Total Expenditures</b>	<u>240</u>	<u>3,240</u>	<u>22,585</u>	<u>26,065</u>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<u>360</u>	<u>(1,185)</u>	<u>(11,585)</u>	<u>(12,410)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Contributions	-	-	-	-
Operating Transfers	-	-	24,000	24,000
<b>Total Other Sources</b>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>24,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>360</b>	<b>(1,185)</b>	<b>12,415</b>	<b>11,590</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>9,083</u>	<u>10,024</u>	<u>3,969</u>	<u>23,076</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 9,443</u>	<u>\$ 8,839</u>	<u>\$ 16,384</u>	<u>\$ 34,666</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis)**  
**Corrections Fund**  
**For The Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Intergovernmental:	\$ 800	\$ 800	\$ 600	\$ 200
Miscellaneous	<u>6</u>	<u>6</u>	<u>-</u>	<u>(6)</u>
Total Revenue	806	806	<u>600</u>	<u>\$ 194</u>
Budgeted Cash Balance	<u>9,042</u>	<u>9,042</u>		
Total Revenue And Cash	<u>\$ 9,848</u>	<u>\$ 9,848</u>		
<b>EXPENDITURES</b>				
Public Safety	\$ 1,000	\$ 1,000	\$ 240	\$ 760
Capital Leases	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	1,000	1,000	240	760
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>240</u>	<u>\$ 760</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			360	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 360</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis)**  
**Lodgers Tax Fund**  
**For The Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Taxes	\$ 1,600	\$ 1,600	\$ 2,055	\$ (455)
Miscellaneous	-	-	-	-
Total Revenue	<u>1,600</u>	<u>1,600</u>	<u>2,055</u>	<u>\$ (455)</u>
Budgeted Cash Balance	<u>10,083</u>	<u>10,083</u>		
Total Revenue And Cash	<u>\$ 11,683</u>	<u>\$ 11,683</u>		
<b>EXPENDITURES</b>				
Culture and Recreation	\$ 6,000	\$ 6,000	\$ 3,299	\$ 2,701
Capital Leases	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,299</u>	<u>2,701</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	-	-	-
Total Expenditures And Other Financing Sources	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>3,299</u>	<u>\$ 2,701</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(1,244)	
Reconciliation to GAAP Basis				
Changes in Receivables				
Changes in Payables				
Excess (Deficiency) of Revenues over expenditures				
			<u>59</u>	
			<u>\$ (1,185)</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.



**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis)**  
**Recreation Fund**  
**For The Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 11,000	\$ -
Miscellaneous	-	-	-	-
<b>Total Revenue</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>\$ -</b>
Budgeted Cash Balance	<u>3,981</u>	<u>3,981</u>		
<b>Total Revenue And Cash</b>	<b><u>\$ 14,981</u></b>	<b><u>\$ 14,981</u></b>		
<b>EXPENDITURES</b>				
Culture and Recreation	\$ 5,000	\$ 28,000	\$ 22,597	\$ 5,403
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>5,000</b>	<b>28,000</b>	<b>22,597</b>	<b>5,403</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	<u>24,000</u>	<u>24,000</u>	-
<b>Total Expenditures And Other Financing Sources</b>	<b><u>\$ 5,000</u></b>	<b><u>\$ 4,000</u></b>	<b><u>(1,403)</u></b>	<b><u>\$ 5,403</u></b>
<b>Total Revenues (Expenditures and Other Financing Sources and Uses)</b>			<b>12,403</b>	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			<u>12</u>	
<b>Excess (Deficiency) of Revenues over expenditures</b>			<b><u>\$ 12,415</u></b>	

The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico**  
**Village of Williamsburg**  
**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budgeted to Actual (Non-GAAP Budgetary Basis)**  
**Sewer - Solid Waste Fund**  
**For The Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Sales of Service	\$ 17,000	\$ 17,000	\$ 20,655	\$ (3,655)
Taxes	-	-	-	-
Other	-	-	137	137
	<u>17,000</u>	<u>17,000</u>	<u>20,792</u>	<u>\$ (3,518)</u>
Total Revenue				
Budgeted Cash Balance	<u>175,893</u>	<u>175,893</u>		
Total Revenue And Cash	<u>\$ 192,893</u>	<u>\$ 192,893</u>		
<b>EXPENDITURES</b>				
Operating Expense	\$ 10,000	\$ 10,000	\$ 1,578	\$ 8,422
Capital Outlay	-	-	-	-
Deposit Refunds	-	-	-	-
	<u>10,000</u>	<u>10,000</u>	<u>1,578</u>	<u>8,422</u>
Total Expenditures				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>21,578</u>	<u>\$ 8,422</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)				(786)
Reconciliation to GAAP Basis				
Changes in Receivables			1,490	
Changes in Payables			132	
Depreciation			<u>(9,151)</u>	
			<u>\$ (8,315)</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

## Pension Liability Supplementary Information

State of New Mexico  
 Village of Williamsburg  
 Schedule of the Proportionate Share of Net Pension Liability-General  
 Pension Plan-Last 10 Fiscal Years  
 June 30, 2016

	<u>2015</u>	<u>2016</u>
Village of Williamsburg portion of net pension liability (asset)	0.63000%	63.00000%
Village of Williamsburg proportionate share of the net pension liability (asset)	\$ 49,147	\$ 63,214
Village of Williamsburg covered-employee payroll	\$ 51,506	\$ 62,098
Village of Williamsburg proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	95%	102%
Plan fiduciary net position as a percentage of total pension liability	81.29%	81.29%

\*\* The amounts presented were determined as of June 30, 2016. The Schedule is presented to illustrate the requirement to show information for 10 years. However, until all full 10 trend is compiled the Village of Williamsburg will present information for those years for information which is available.

State of New Mexico  
 Village of Williamsburg  
 Schedule of Employer Contributions-PERA Fund Division-General  
 PERA Pension Plan-Last 10 Fiscal Years  
 June 30, 2016

	<u>2015</u>	<u>2016</u>
Contractually Required Contributions	\$ 4,815	\$ 5,682
Contributions in Relation to the Contractually Required Contribution	<u>(4,815)</u>	<u>(5,682)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Village of Williamsburg Covered-Employee Payroll	<u>\$ 51,506</u>	<u>\$ 62,098</u>
Contributions as a Percentage of Covered-Employee Payroll	9.35%	9.15%

\*\* The amounts presented were determined as of June 30, 2016. The Schedule is presented to illustrate the requirement to show information for 10 years. However, until all full 10 trend is compiled the Village of Williamsburg will present information for those years for information which is available.

**State of New Mexico  
Village of Williamsburg  
Notes to Required Supplemental Information  
June 30, 2016**

**Changes in benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 15 audit available at:

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

**Changes in assumptions.**

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuations June 30 2015 report is available at:

[http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%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 .13% to the funded ratio. For details about changes in the actuarial assumptions see Appendix B on page 60 of the report.

## **Supplementary Information**

State of New Mexico  
 Village of Williamsburg  
 Schedule of Deposits and Security Requirements  
 June 30, 2016

Institution	Financial	Account Name	Account Type	Reconciled Balance	O/S Deposits Balance	O/S Checks Balance	Balance On Deposit 06-30-15	FDIC Insurance	Not Insured By FDIC	Required Collateral	FMV of Collateral	Pledged Over(Short)
Bank of Southwest		Operations	Non Int Checking	\$ 180,546	\$ 13,197	\$ 15,850	\$ 183,199	\$ 183,199	\$ -			
First Savings		Cash Reserve	Non Int Checking	78,588	-	-	78,588	78,588	-			
First Savings		Cash Reserve-Sewer Operations	Non Int Checking	67,033	-	-	67,033	67,033	-			
Citizens Bank		Water Deposit	Non Int Checking	293,992	-	-	293,992	250,000	43,992			
Citizens Bank			Int Checking	118,886	-	-	118,886	-	118,886			
Total				\$ 739,045	\$ 13,197	\$ -	\$ 741,698	\$ 578,820	\$ 162,878	\$ 81,439	\$ 529,366	\$ 447,927
Petty Cash and Returned Checks				200								
Total				\$ 739,245								

Deposit Security

Description	ID #	Par	Amount	Maturity Date
Citizens Bank of Las Cruces:				
FFCB	30332153	\$ 500,000	\$ 529,366	12/26/2023
Total			\$ 529,366	

The accompanying notes to the basic financial statements are an integral part of this statement.



State of New Mexico  
 Village of Williamsburg  
 Schedule of Changes in Assets and Liabilities-Agency Fund  
 June 30, 2016

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
<b>Assets</b>				
Cash in Bank	\$ 900	\$ 360	\$ 339	\$ 921
<b>Liabilities</b>				
Due to Others	\$ 900	\$ 360	\$ 339	\$ 921

The accompanying notes to the basic financial statements are an integral part of this statement.

State Of New Mexico  
 Village of Williamsburg  
 Schedule of Vendor Information  
 June 30, 2016

Agency Number	Agency Name	Agency Type	RFB/RFP (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for In-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work
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None

## **Compliance**

**Dan Austin CPA, PC  
700 Mechem Drive Ste. 15  
Ruidoso, NM 88345**

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

**Independent Auditors' Report**

Timothy Keller  
New Mexico State Auditor  
The Governing Board  
Village of Williamsburg  
Ruidoso Downs, NM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and major special revenues funds, of the Village of Williamsburg as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Williamsburg's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village of Williamsburg, presented as supplemental information, and have issued our report thereon dated December 1, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Williamsburg's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Williamsburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Williamsburg'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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of the internal control over financial reporting 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control over financial reporting that we would consider to be material weaknesses and significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Williamsburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests noted one instance of noncompliance which are identified as 2016-001 on page 53 of this report.

**Village of Williamsburg's Response to Findings**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Village of Williamsburg'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 of Williamsburg's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the Village of Williamsburg as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Village of Williamsburg's basic financial statements, and the combining and individual and related budgetary comparisons of Village of Williamsburg, presented as supplemental information, and have issued our report thereon dated December 1, 2016.



December 1, 2016  
Ruidoso, New Mexico

**STATE OF NEW MEXICO  
VILLAGE OF WILLIAMSBURG  
SCHEDULE OF FINDINGS, RESPONSES AND OTHER DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2016**

**Summary of Audit Results**

*Financial Statements:*

1. Type of auditors' report issued                      Unmodified
2. Internal control over financial reporting:
  - a. Material weakness identified? No
  - b. Significant deficiencies identified not considered to be a material weaknesses? No
  - c. Noncompliance material to the financial statements noted? No

**FINDINGS AND RECOMMENDATIONS-Financial Audit**

**Prior Year Findings:**

None

**Current Year Findings:**

**2016-001 Expenditures in Excess of Budget (Other Noncompliance)**

**Condition**

The Village exceeded budgeted expenditures in the following fund:

General Fund \$10,495

**Criteria**

Per 6-6-6 NMSA 1978 Compliance, it is unlawful for expenditures to exceed approved budget by the New Mexico Department of Finance and Administration

**Effect**

Expenditures in excess of approved budgets result in liability against public officials allowing claims to be paid in excess of budget.

**Cause**

Oversight and failure to approve amended budget.

**Recommendation**

Monitor budget more closely and request budget adjustments timely.

**Response**

The Village applied for a NM Clean and Beautiful Grant and expended funds upon approval not realizing a budget adjustment was needed. The Village Clerk will monitor internal budget reports and report monthly to the Village Council of the budget status for each Village Fund. The Village Clerk will request Council make budget adjustments in a timely manner if issues occur.

## **FINANCIAL STATEMENT PREPARATION**

Although it would be preferable and desirable for the Village to prepare its own GAAP-based financial statements, it is felt that the Village's personnel have neither the time nor the expertise to prepare them. Therefore the outside auditor prepared the GAAP-based financial statements and footnotes for inclusion in the annual audit report, however, the responsibility for the content of the report remains with the Village's management.

## **EXIT CONFERENCE**

The exit conference was held at Williamsburg Village Hall on December 12, 2016. Present were Mayor Debbie Stubblefield, Village Clerk/Treasurer Linda Bauer, and Dan Austin, CPA representing the audit firm. The report was discussed as well as other recommendations.