STATE OF NEW MEXICO
VILLAGE OF RESERVE
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
INDEPENDENT AUDITORS' REPORT

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VILLAGE OF RESERVE
FOR THE YEAR ENDED JUNE 30, 2019
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STATE OF NEW MEXICO
VILLAGE OF RESERVE
DIRECTORY OF OFFICIALS
JUNE 30, 2019

Village Council

NAME	TITLE
Hilda D Kellar	Mayor
Debbie Lee	Mayor Pro Term
Wilford Estrada	Trustee
Clay J. Snyder	Trustee
Leisil Luera	Trustee

Village Officials

Andre Giron	Municipal Clerk
Amanda Cox	Deputy Clerk

INDEPENDENT AUDITORS' REPORT

Mr. Brian S. Colón
Office of the State Auditor
and the Mayor and Village Council of the
Village of Reserve, New Mexico

Report on Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, aggregate remaining fund information, and the budgetary comparisons for the general fund, and major special revenue fund of Village of Reserve, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue fund 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's Discussion and Analysis which is required to supplement the basic financial statements. Such missing 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. 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 GASB 68 10 year schedules on pages 56 - 58 and GASB 75 10 year schedules on pages 59 - 61 be presented to supplement the basic financial statements. We have applied certain limited procedures to the required supplementary information in accordance with 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 the financial statements, the combining and individual fund financial statements and any other schedule required by the Audit Rule that collectively comprise the Village of Reserve's basic financial statements. The combining and individual nonmajor fund financial statements and any other schedule required by the Audit Rule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by Section 2.2.2. NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules required by Section 2.2.2. NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019 on our consideration of Village of Reserve'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 Reserve's internal control over financial reporting and compliance.

Beasley Mitchell & Co LLP

Beasley, Mitchell & Co.
Las Cruces, New Mexico
December 13, 2019

GOVERNMENT - WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 913,974	$ 100,213	$ 1,014,187
Taxes receivable	18,531	-	18,531
Accounts receivable	-	18,553	18,553
Due from business-type funds	578,029	-	578,029
Investments	37,816	-	37,816
Total current assets	1,548,350	118,766	1,667,116
NON-CURRENT ASSETS:			
Restricted cash	1,830	56,795	58,625
Capital assets, net of accumulated depreciation	5,152,673	2,806,352	7,959,025
Total non-current assets	5,154,503	2,863,147	8,017,650
Total assets	6,702,853	2,981,913	9,684,766
DEFERRED OUTFLOWS:			
Deferred outflows - PERA	40,030	38,143	78,173
Deferred outflows - RHCA	6,579	6,286	12,865
Total deferred outflows	46,609	44,429	91,038
Total assets and deferred outflows	$ 6,749,462	$ 3,026,342	$ 9,775,804

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF NET POSITION
JUNE 30, 2019

		Governmental Activities		Business-type Activities		Total
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION						
CURRENT LIABILITIES:						
Accounts payable	$	1,000	$	10,452	$	11,452
Due to governmental funds		-		578,029		578,029
Compensated absences		8,570		-		8,570
Customer deposits		-		21,900		21,900
Accrued expenses		1,691		1,585		3,276
Current portion of long-term debt		45,779		567		46,346
Total current liabilities		57,040		612,533		669,573
NON-CURRENT LIABILITIES:						
Net pension liability		66,403		163,186		229,589
Net OPEB liability		79,022		74,910		153,932
Loans and notes payable, net of current		625,100		7,371		632,471
Total non-current liabilities		770,525		245,467		1,015,992
Total liabilities		827,565		858,000		1,685,565
DEFERRED INFLOWS:						
Deferred inflows - PERA		8,416		7,891		16,307
Deferred inflows - RHCA		20,406		19,367		39,773
Total deferred inflows		28,822		27,258		56,080
Total liabilities and deferred inflows		856,387		885,258		1,741,645
NET POSITION:						
Net investment in capital assets		4,481,794		2,798,414		7,280,208
Restricted for:						
Special revenue funds		704,925		-		704,925
Capital project		204,127		-		204,127
Debit services		382,864		-		382,864
Unrestricted		119,365		(657,330)		(537,965)
Total net position		5,893,075		2,141,084		8,034,159
Total liabilities, deferred inflows, and net position	$	6,749,462	$	3,026,342	$	9,775,804

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) Revenue and Change in Net Position Primary Government		
Functions/Programs:	Expenses	Charges for Services	Program Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 242,579	$ -	$ -	$ -	$ (242,579)	$ -	$ (242,579)
Public safety	99,233	31,714	7,510	-	(60,009)	-	(60,009)
Public works	18,949	-	-	338,909	319,960	-	319,960
Misc. governmental	-	-	702,826	-	702,826	-	702,826
Unallocated depreciation	340,518	-	-	-	(340,518)	-	(340,518)
Total governmental activities	701,279	31,714	710,336	338,909	379,680	-	379,680
Business-type activities:							
Water and solid waste	361,218	190,442	-	-	-	(170,776)	(170,776)
Second well project	-	-	-	-	-	-	-
Total business-type activities	361,218	190,442	-	-	-	(170,776)	(170,776)
Total primary government	$ 1,062,497	$ 222,156	$ 710,336	$ 338,909	379,680	(170,776)	208,904
		General Revenues:					
		Taxes:					
		Property taxes			11,260	-	11,260
		Gross receipts taxes			142,688	-	142,688
		Motor vehicle and fuel taxes			4,930	-	4,930
		License and fees			4,495	-	4,495
		Small cities assistance			90,000	-	90,000
		Miscellaneous			234,293	-	234,293
		Transfers between governmental and business-type			41,402	(41,402)	-
		Total general revenues and transfers			529,068	(41,402)	487,666
		Change in net position			908,748	(212,178)	696,570
		Net position, beginning of year			4,984,327	2,353,262	7,337,589
		Net position, end of year			$ 5,893,075	$ 2,141,084	$ 8,034,159

GOVERNMENTAL FUND STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF RESERVE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

		General Fund		Fire Fund		Debt Service		Fire Protection Project Fund		Non-Major Governmental Fund		Total Governmental Funds
ASSETS												
Cash and cash equivalents	$	225,371	$	442,537	$	-	$	229,213	$	16,853	$	913,974
Restricted cash		-		-		1,830		-		-		1,830
Taxes receivable		18,531		-		-		-		-		18,531
Due from other funds		-		1,638		381,034		1,226		576,803		960,701
Investments		16,000		21,816		-		-		-		37,816
Total assets	$	259,902	$	465,991	$	382,864	$	230,439	$	593,656	$	1,932,852
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE												
LIABILITIES:												
Current liabilities												
Accounts payable	$	1,000	$	-	$	-	$	-	$	-	$	1,000
Accrued expenses		1,691		-		-		-		-		1,691
Due to other funds		1,638		-		-		-		381,034		382,672
Total liabilities		4,329		-		-		-		381,034		385,363
FUND BALANCES:												
Restricted, reported in:												
Capital project		-		-		-		-		204,127		204,127
Special revenue funds		-		465,991		-		230,439		8,495		704,925
Debit services		-		-		382,864		-		-		382,864
Unassigned, reported in:												
General fund		255,573		-		-		-		-		255,573
Total fund balances		255,573		465,991		382,864		230,439		212,622		1,547,489
Total liabilities, deferred inflows, and fund balances	$	259,902	$	465,991	$	382,864	$	230,439	$	593,656	$	1,932,852

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds		$ 1,547,489
Amount 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.		
The cost of capital assets	9,981,599	
Accumulated depreciation	(4,828,926)	5,152,673
Deferred outflows: - PERA		40,030
Deferred outflows: - RHCA		6,579
Deferred inflows due to actual non-investment experience that was better than expected and changes in benefits or assumption which result in a decrease to net pension liability.		(8,416)
Deferred inflows due to actual non-investment experience that was better than expected and changes in benefits or assumption which result in a decrease to net OPEB liability.		(20,406)
Other long-term liabilities and certain other liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:		
Note payable	(670,879)	
Net pension liability	(66,403)	
Net OPEB liability	(79,022)	
Compensated absences	(8,570)	(824,874)
Total net position - governmental activities		$ 5,893,075

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Fire Fund	Debt Service	Fire Protection Project Fund	Non-Major Governmental Fund	Total Governmental Funds
REVENUES						
Taxes	$ 153,303	$ -	$ -	$ -	$ 5,575	$ 158,878
Intergovernmental income - state	-	49,765	-	-	-	49,765
Charges for services	31,714	-	-	-	-	31,714
Licenses and fees	4,495	-	-	-	-	4,495
Small cities assistance	90,000	-	-	-	-	90,000
State grant	7,510	457,729	-	245,097	-	710,336
Bond proceed	-	259,235	-	-	-	259,235
Miscellaneous	84,699	1,225	-	-	98,604	184,528
Total revenues	371,721	767,954	-	245,097	104,179	1,488,951
EXPENDITURES						
General government	230,323	-	-	-	-	230,323
Public safety	-	388,233	-	-	20,000	408,233
Public works	-	-	-	14,658	4,291	18,949
Debt service:						
Principal	-	-	23,639	-	-	23,639
Interest	-	-	7,384	-	-	7,384
Total expenditures	230,323	388,233	31,023	14,658	24,291	688,528
Excess (deficiency) of revenues over expenditures	141,398	379,721	(31,023)	230,439	79,888	800,423

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Fire Fund	Debt Service	Fire Protection Project Fund	Non-Major Governmental Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES):						
Transfer in	800	75,266	31,023	-	117,191	224,280
Transfer out	(161,973)	(20,105)	-	-	(800)	(182,878)
Total other sources (uses)	(161,173)	55,161	31,023	-	116,391	41,402
Net change in fund balance	(19,775)	434,882	-	230,439	196,279	841,825
Fund balance at beginning of year	275,348	31,109	382,864	-	16,343	936,103
Fund balance at end of year	$ 255,573	$ 465,991	$ 382,864	$ 230,439	$ 212,622	$ 1,547,489

STATE OF NEW MEXICO
VILLAGE OF RESERVE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds		$ 841,825
Amount reported for governmental activities in the Statement of Activities are different because:		
Change in deferred outflows - PERA		19,354
Change in deferred outflows - RHCA		4,971
Deferred income from grant recognized in the government wide financial Statements.		338,909
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 and reported as depreciation expense:		
Capital assets donated from the county	1,167,000	
Accumulated depreciation for capital assets donated from the county	(858,000)	
Depreciation expense	(340,518)	(31,518)
Governmental funds report loan payments as debt service expenditures. However, in the statement of activities, these payments are not recognized as expenditures		23,639
Net change in deferred inflows - PERA		8,671
Net change in deferred inflows - RHCA		(2,772)
Change in net pension liability reported in the government wide financial statements		(32,342)
Change in net OPEB liability reported in the government wide financial statements		(1,546)
Bond Proceed		(259,235)
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid).		(1,208)
Change in net position of governmental activities		$ 908,748

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 171,400	$ 171,400	$ 134,772	$ (36,628)
Licenses and fees	1,500	1,500	4,495	2,995
Charges for services	6,000	6,000	31,714	25,714
Small cities assistance	90,000	90,000	90,000	-
State grants	-	-	7,510	7,510
Miscellaneous revenue	71,000	71,000	84,699	13,699
Total revenues	339,900	339,900	353,190	13,290
EXPENDITURES:				
General government	256,700	278,609	227,632	50,977
Total expenditures	256,700	278,609	227,632	50,977
Deficiency of revenues over expenditures	83,200	61,291	125,558	64,267
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	800	800
Transfers out	(69,000)	(162,000)	(161,973)	27
Total other financing uses	(69,000)	(162,000)	(161,173)	827
Net changes in fund balance	14,200	(100,709)	(35,615)	65,094
Fund balance - beginning of the year	275,348	275,348	275,348	-
Fund balance - end of the year	$ 289,548	$ 174,639	$ 239,733	$ 65,094
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			$ (35,615)	
Net revenue accruals			18,531	
Net expenditure accruals			(2,691)	
Net change in fund balance GAAP basis			$ (19,775)	

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL REVENUE FUND - FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
State-Fire Marshall Allotment	$ 20,000	$ 386,000	$ 766,729	$ 380,729
Miscellaneous revenue	-	-	1,225	1,225
Total revenues	20,000	386,000	767,954	381,954
EXPENDITURES:				
Public safety	63,000	120,534	388,233	(267,699)
Total expenditures	63,000	120,534	388,233	(267,699)
Excess of revenues over expenditures	(43,000)	265,466	379,721	114,255
OTHER FINANCING SOURCES				
Transfers in	63,000	77,000	75,266	(1,734)
Transfers out	(20,000)	(20,105)	(20,105)	-
Total other financing sources	43,000	56,895	55,161	(1,734)
Net changes in fund balance	-	322,361	434,882	112,521
Fund balance - beginning of the year	31,109	31,109	31,109	-
Fund balance - end of the year	$ 31,109	$ 353,470	$ 465,991	$ 112,521

Reconciliation of budgetary basis to GAAP basis:

Net change in fund balance budgetary basis	$ 434,882
Net change in fund balance GAAP basis	$ 434,882

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL REVENUE FUND - FIRE PROTECTION PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	**Final Budget**	**Actual on Budgetary Basis**	**Variance with Final Budget Positive (Negative)**
REVENUES:				
State grants	$ 200,000	$ 200,000	$ 245,097	$ 45,097
Total revenues	200,000	200,000	245,097	45,097
EXPENDITURES:				
Public works	200,000	200,000	14,658	185,342
Total expenditures	200,000	200,000	14,658	185,342
Excess of revenues over expenditures	-	-	230,439	230,439
OTHER FINANCING SOURCES (USES)				
Net changes in fund balance	-	-	230,439	230,439
Fund balance - end of the year	$ -	$ -	$ 230,439	$ 230,439

Reconciliation of budgetary basis to GAAP basis:	
Net change in fund balance budgetary basis	$ 230,439
Net change in fund balance GAAP basis	$ 230,439

See independent auditors' report and accompanying notes to financial statements

PROPRIETARY FUNDS

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water & Sewer	Second Well Project	Total
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 100,213	$ -	$ 100,213
Accounts receivable	18,553	-	18,553
Total current assets	118,766	-	118,766
NON-CURRENT ASSETS:			
Capital assets, net of accumulated depreciation	1,258,345	1,548,007	2,806,352
Restricted cash and cash equivalents	56,795	-	56,795
Total non-current assets	1,315,140	1,548,007	2,863,147
Total assets	1,433,906	1,548,007	2,981,913
DEFERRED OUTFLOWS:			
Deferred outflow - PERAs	38,143	-	38,143
Deferred outflows - RHCA	6,286	-	6,286
Total assets and deferred outflows	$ 1,478,335	$ 1,548,007	$ 3,026,342

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water & Sewer	Second Well Project	Total
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	$ 10,452	$ -	$ 10,452
Payroll liabilities	1,585	-	1,585
Due to other fund	578,029	-	578,029
Customer meter deposits	21,900	-	21,900
Current portion of long-term debt	567	-	567
Total current liabilities	612,533	-	612,533
NON-CURRENT LIABILITIES:			
Net pension liability	163,186	-	163,186
Net OPEB liability	74,910	-	74,910
Notes payable, net of current	7,371	-	7,371
Total non-current liabilities	245,467	-	7,371
Total liabilities	858,000	-	858,000
DEFERRED INFLOWS:			
Deferred inflows - PERA	7,891	-	7,891
Deferred inflows - RHCA	19,367	-	19,367
Total liabilities and deferred inflows	885,258	-	885,258
NET POSITION			
Net investment in capital assets	1,250,407	1,548,007	2,798,414
Unrestricted	(657,330)	-	(657,330)
Total net position	593,077	1,548,007	2,141,084
Total liabilities, deferred inflows and net position	$ 1,478,335	$ 1,548,007	$ 3,026,342

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water & Sewer	Second Well Project	Total
OPERATING REVENUE:			
Charges for services	$ 190,442	$ -	$ 190,442
Total operating revenue	190,442	-	190,442
OPERATING EXPENSES:			
Maintenance and materials	163,830	-	163,830
Utilities	23,088	-	23,088
Depreciation	174,300	-	174,300
Total operating expenses	361,218	-	361,218
Operating loss	(170,776)	-	(170,776)
NON-OPERATING REVENUES:			
Transfers in	50,567	-	50,567
Transfers out	(91,969)	-	(91,969)
Total transfers	(41,402)	-	(41,402)
Change in net position	(212,178)	-	(212,178)
Net position, beginning of year	805,255	1,548,007	2,353,262
Net position, end of year	$ 593,077	$ 1,548,007	$ 2,141,084

See independent auditors' report and accompanying notes to financial statements

STATE OF NEW MEXICO
VILLAGE OF RESERVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water & Sewer	Second Well Project	Total
Cash flows from operating activities:			
Cash received from customers	$ 192,019	$ -	$ 192,019
Cash paid to suppliers and employees	(101,696)	-	(101,696)
Cash paid to suppliers and goods and services	(96,364)	-	(96,364)
Net cash provided by operating activities	(6,041)	-	(6,041)
Cash flows from non-capital financing activities:			
Miscellaneous income	536,627	-	536,627
Transfers from other funds	-	-	-
Net cash provided by non-capital financing activities	536,627	-	536,627
Cash flows from capital and related financing activities:			
Interest expense	-	-	-
Change in capital assets	(575,469)	-	(575,469)
Principal payments on debt	(567)	-	(567)
Net cash used in capital and related financing activities	(576,036)	-	(576,036)
Net decrease in cash and cash equivalents	(45,450)	-	(45,450)
Cash and cash equivalents - beginning	202,458	-	202,458
Cash and cash equivalents - ending	$ 157,008	$ -	$ 157,008
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$ (170,776)	$ -	$ (170,776)
Adjustments to operating loss to net cash used in operating activities:			
Depreciation	174,300	-	174,300
Changes in net position and liabilities:			
Accounts receivable	377	-	377
Other assets	(23,302)	-	(23,302)
Accounts payable	(14,652)	-	(14,652)
Customer deposits	1,200	-	1,200
Other liabilities	26,812	-	26,812
Net cash provided by operating activities	$ (6,041)	$ -	$ (6,041)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Reserve (the "Village") have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village of Reserve was incorporated under the laws of the State of New Mexico during 1974. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation and water, culture-recreation, health and social services, public improvements, planning and zoning, and general administrative service matters.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges and issue bonded debt.

The Village has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected Village members are financially accountable. There are no other primary governments with which the Village Council Members are financially accountable. There are no other primary governments with which the Village has a significant relationship.

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS) - The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the activities of the Village. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level. The Village has no Fiduciary Funds. The effect of interfund activity, within the governmental and business-type activities columns, 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 program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include: 1) Charges for services is the term used for a broad category of program revenues that arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as businesses licenses, liquor licenses, and building permits; operating special assessments, such as for street cleaning or special street lighting; and any other amounts charged to service recipients. Fines and forfeitures are also included in this category because they result from direct charges to those who are otherwise directly affected by a program or service, even though specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes to purchase, construct, or renovate capital assets associated with a specific program. These should be reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government.

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds.

SPECIAL REVENUE FUNDS

Fire Fund **-** To account for the operation and maintenance of the Village Fire Department. Financing is primarily from State grants. The fund was created by the authority of state grant provisions (NMSA 59A-53-1).

Fire Protection Project Fund - To account for resources received to design the fire building within the Village limits. Funding is a grant.

DEBIT SERVICE FUND

Debt Service Fund **-** To account for the management and payments of long term debt

Enterprise Funds

Proprietary Funds **-** To account for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The Village has presented the following major proprietary funds:

Water and Sewer Fund **-** To account for the provision of water service and for the disposal of solid waste to the residents of the Village. Activities include administration, operations and maintenance of the water system and billing and collection activities. The funds also account for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Second Well Project Fund **-** To account for the Second Well Project, of which will assist the Village in obtaining safe drinking water and adequate waste facilities. The capital project is funded by the Water and Waste Disposal Systems for Rural Communities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government wide and proprietary financial statements are reported using the economic resources measurement focus. The government wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenue, such as franchise and sales tax revenue, is recognized when the underlying exchange transaction occurs.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Village's taxpayer or citizenry, as a whole; program revenues reduced the cost of the function to be financed from the Village's general revenues. Program revenues include charges for services or applicants who purchase, use, or directly benefit from the goods or services provided by the given function.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting (continued)

However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents - The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Village is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments - All money not immediately necessary for the public uses of the Village may be invested in:

(a) bonds or negotiable securities of the United States, the state or any county, municipality or Village which has a taxable valuation of real property for the last preceding year of at least one million dollars ($1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government; or

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables - Receivables include property taxes, interfund loans that are expected to be paid back and amount 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.

Deferred Outflows - In the government-wide fund financial statements, deferred outflows are contributions to a pension plan after the measurement date, and the change in assumption.

Property Taxes - The County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation.

Restricted Funds - Restricted assets for the Village include utility customer deposits reflected in the business-type funds. These assets may only be expended for the specific purposes as noted, due to externally imposed provisions of the agreements with utility customers.

Capital Assets - Capital assets, which include property, buildings, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the Village as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The construction period interest is not capitalized in the proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Assets	Years
Buildings	40 - 50
Building improvements	40
Public domain infrastructure	12 - 20
System infrastructure	20 - 30
Equipment	10 - 12
Vehicles	3 - 5
Computer equipment	5

Use of Restricted Funds - 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.

Revenue - The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences - Village employees are entitled to certain compensated absences based on their employment classification and length of employment. With minor exceptions, the Village allows 40 hour week employees to accumulate unused sick leave. Accumulated unused sick leave, however, is not paid upon termination from employment or retirement, but will be paid only upon illness while in the employment of the Village. Accordingly, no provision for accumulated unused sick leave has been made in the accompanying financial statements.

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Village. Accumulated unused vacation is payable upon retirement or termination from employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund 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 resignations and retirements.

Deferred Inflows - Within the governmental funds, revenues must be available in order to be recognized. Revenues such as real estate taxes that are not available are recorded as deferred inflows and reflected within the balance sheet.

Net Position - The government-wide and business-type activities fund financial statements utilize a net position presentation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources as needed.

Net Investment in Capital Assets - This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Unrestricted Net Position - This category reflects net position of the Village, not restricted for any project or other purpose.

Fund Balance - In the fund financial statements, governmental fund balances are classified as follows:

Nonspendable - fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes amounts to be held in perpetuity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - Fund balance should be reported when constraints placed on the use of resources are either:

a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
b. Imposed by law through constitutional provisions or enabling legislation. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

Unassigned - fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Inter-Fund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Standards

In June 2017, GASB Statement No. 87 Leases, was issued. Effective date: The provisions of this Statement are effective for financial statements for the objective of this Statement is to improve accounting and financial reporting for periods beginning after December 15, 2019. Earlier application is encouraged. The Village is still evaluating how this pronouncement will affect the financial statements.

In December 2018, GASB No. 90, Majority Equity Interests, was issued. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information
Annual budgets for the Village are prepared prior to June 1 and must be approved by the Council Members and the New Mexico Department of Finance and Administration. Once the budget has been formally approved, the Village Council Members and the Department of Finance and Administration must also approve any amendments. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Proprietary Funds.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The Village is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principals, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year-ended June 30, 2019 is presented.

Budgetary Control

1. Prior to June 1, the Village's Clerk-Treasurer submits the budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in May and June to obtain taxpayers comments.

2. Prior to July 1, the budget is legally enacted through passage of an ordinance and then must be approved by Local Government Division of the State Department of Finance and Administration.

3. The Village Council is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the State Department of Finance and Administration.

4. Formal budgetary integration is employed as a management control device during the year for all funds.

5. The level of budget authority is at the fund level.

3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more bank or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States of America or by collateral deposited as security or by bond given by the financial institution. The rate of interest in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Idle cash may be invested in a wide variety of instruments, including money market accounts, certificates of deposit, the New Mexico State Treasurer's investment pool, or in securities which are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the state or the United States, or are backed by the full faith and credit of those governments.

Cash Deposited with Financial Institutions

The Village maintains cash in one financial institution within Reserve, New Mexico. The Village's deposits are carried at cost.

As of June 30, 2019, the amount of cash reported on the financial statements differs from the amount on deposit with the financial institution because of transactions in transit and outstanding checks. A summary of the reconciliation is as follows:

	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
Operating account	$ 497,876	$ -	$ 4,216	$ 493,660
Fire fund account	449,950	-	7,788	442,162
Utility Deposits	22,350	-	-	22,350
USDA water	6,114	-	-	6,114
NMFA	2,199	-	-	2,199
CD - Investments	16,000	-	-	16,000
Investments	21,816	-	-	21,816
USDA water Reserve	6,114	-	-	6,114
Replacement Reserve	100,213	-	-	100,213
Total	$ 1,122,632	$ -	$ 12,004	$ 1,110,628

3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

Statement of Net Position:	
Cash	1,014,187
Restricted cash	58,625
Total Cash	1,072,812
CD - Investments	16,000
Investments	21,816
Total	$1,110,628

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the Village. All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the Village carrying value of the deposits (demand and certificates of deposit). Such collateral, as permitted by the state statutes is held in each respective depository bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by the Federal Deposit Insurance Corporation.

	First State Bank
Amount held in bank June 30, 2019	$ 1,122,632
Less NMFA reserve	2,199
Less FDIC Insurance	250,000
Uninsured Public Funds	870,433
50% Collateral Requirements (Section 6-10-17 NMSA-1978)	435,217
Pledged Securities	907,767
Over (Under) Collateralized	$ 472,550

A detailed listing of the pledged collateral is contained in the supplemental financial information section of this report. According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Demand, time deposits, savings deposits and interest bearing money market accounts at a public unit in an institution in the same state will be insured up to $250,000 in aggregate.

Custodial Credit Risk - *Deposits* - Custodial Credit Risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the Village's bank

3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

balance of $1,122,632 was exposed to custodial credit risk.

Fair Value Measurement (GASB 72)

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement Number 72, Fair Value Measurement and Application. This statement changes the definition of fair value and adds new disclosure requirements. GASB 72 is effective for periods beginning after June 15, 2015 (i.e., financial statements for June 30, 2016, and beyond).

The Village holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Village's mission, the Village determines that the disclosures related to these investments only need to be disaggregated by major type. The Village chooses a table format for the fair value disclosures.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

Market approach: this uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

Cost approach: this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

Income approach: this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB 72 establishes a hierarchy of inputs to the valuation techniques listed above.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

Level 2

Are significant other observable inputs:

a) Quoted prices for similar assets or liabilities in active markets.
b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
c) Inputs other than quoted prices that are observable for the asset or liability, such as:
    1) Interest rates and yield curves observable at commonly quoted intervals,
    2) Implied volatilities, and
    3) Credit spreads.
d) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

Level 3

Are significant unobservable inputs for an asset or liability. (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

These investments held by the Village are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Village are deemed to be actively traded.

3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Village believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The District has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Level 1	Level 2	Level 3	Total
US Treasury	$ 21,816	$ -	$ -	$ 21,816
CD	16,000	-	-	16,000
Total Investments	$ 37,816	$ -	$ -	$ 37,816

4. ACCOUNTS AND TAXES RECEIVABLES

Receivables as of June 30, 2019, were as follows:

	Governmental Activities	Business-Type Activities
Taxes:		
Property taxes	$ 1,588	$ -
Gasoline taxes	1,660	-
Gross receipts taxes	12,670	-
Motor vehicle taxes	2,613	-
Other receivables:		
Services	-	18,553
	$ 18,531	$ 18,553

Taxes receivable for the governmental funds consists primarily of taxes collected by the collection agency in the current year but not remitted to the Village until after year-end. All governmental fund receivables are considered collectible.

5. CAPITAL ASSETS

Capital asset activity for the Village's primary government for the year ended June 30, 2019, was as follows:

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Government activities:					
Capital assets not being depreciated:					
Land	$ 61,242	$ -	$ -	$ -	$ 61,242
Total capital assets not being depreciated	61,242	-	-	-	61,242
Capital Assets, being depreciated					
Buildings and improvements	1,206,057	775,000	-	-	1,981,057
Infrastructure	6,094,169	-	-	-	6,094,169
Vehicles	496,899	92,000	-	-	588,899
Furniture & Fixtures	30,246	-	-	-	30,246
Equipment	925,986	300,000	-	-	1,225,986
Total capital assets, being depreciated	8,753,357	1,167,000	-	-	9,920,357
Total capital assets	8,814,599	1,167,000	-	-	9,981,599
Less accumulated depreciation for:					
Buildings and improvements	(568,189)	(471,000)	(55,139)	-	(1,094,328)
Infrastructure	(1,859,148)	-	(243,766)	-	(2,102,914)
Vehicles	(496,899)	(87,000)	(5,000)	-	(588,899)
Furniture & Fixtures	(6,295)	-	(3,024)	-	(9,319)
Equipment	(699,877)	(300,000)	(33,589)	-	(1,033,466)
Total accumulated depreciation	(3,630,408)	(858,000)	(340,518)	-	(4,828,926)
Total other capital assets, net	$ 5,184,191	$ 309,000	$ (340,518)	$ -	$ 5,152,673

Depreciation expense was charged to governmental activities as follows:

Unallocated	$ 340,518
Total depreciation expense	$ 340,518

5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Disposal	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land - Water	$ 172,039	$ -	$ -	$ 172,039
Total capital assets not depreciated	172,039	-	-	172,039
Other Capital Assets				
Building - Water	91,666	578,029	(4,000)	665,695
Equipment	45,172	-	-	45,172
Vehicles	64,856	-	-	64,856
Plant	3,384,526	-	-	3,384,526
Construction in progress	-	-	-	-
Infrastructure	1,708,302	-	-	1,708,302
Total capital assets at historical cost	5,294,522	578,029	(4,000)	5,868,551
Total capital assets	5,466,561	578,029	(4,000)	6,040,590
Less accumulated depreciation				
Accumulated depreciation	(2,894,083)	(174,300)	1,440	(3,066,943)
Infrastructure	(167,295)	-	-	(167,295)
Total capital assets depreciated	(3,061,378)	(174,300)	1,440	(3,234,238)
Business-type capital assets, net	$ 2,405,183	$ 403,729	$ (2,560)	$ 2,806,352

Depreciation expense for business-type activities for the year ended June 30, 2019 was $174,300.

6. NOTES PAYABLE AND COMPENSATED ABSENCES

A summary of activity of compensated absences is as follows:

	Balance 6/30/18	Additions	Reductions	Balance 06/30/19	Amount Due Within One Year
Notes payable - Gov	$ 435,283	$ 259,235	$ 23,639	$ 670,879	$ 45,779
Notes payable - Bus	8,505	-	567	7,938	567
Total notes payable	443,788	259,235	24,206	678,817	46,346
Compensated absences - Gov	7,363	3,106	1,898	8,570	8,570
Total	$ 451,151	$ 262,341	$ 26,104	$ 687,387	$ 54,916

The Village obtained their loans from the United States Department of Agriculture. The loans requires variable annual payments and fixed interest from 3.25% and matures June 2054. Loan debt service requirements to maturity are as follows:

GOVERNMENTAL Years Ending June 30,	Principal	Interest	Total
2020	$ 2,000	$ 3,705	$ 5,705
2021	2,000	3,640	5,640
2022	2,000	3,575	5,575
2023	2,000	3,510	5,510
2023	2,000	3,510	5,510
2024-2028	10,000	15,050	25,050
2029-2033	10,000	12,550	22,550
2034-2038	10,000	10,050	20,050
2039-2043	10,000	7,550	17,550
2044-2048	10,000	10,050	20,050
2049-2054	54,000	2,340	56,340
	$ 114,000	$ 75,530	$ 113,140

The Village obtained their loans from the New Mexico Finance Authority. The loans requires variable annual payments and variable interest from 0.30% to 3.36% and matures June 2035. Loan debt service requirements to maturity are as follows:

6. NOTES PAYABLE AND COMPENSATED ABSENCES (CONTINUED)

GOVERNMENTAL Years Ending June 30,	Principal	Interest	Total
2020	$ 43,779	$ 2,912	$ 46,691
2021	85,953	2,270	88,223
2022	45,391	2,525	47,916
2023	45,184	2,525	47,709
2024	45,184	2,525	47,709
2025-2029	200,210	4,500	204,710
2030-2034	91,178	2,250	93,428
	$ 556,879	$ 19,507	$ 576,386

Business-Type Years Ending June 30,	Principal	Interest	Total
2020	$ 567	$ -	$ 567
2021	567	-	567
2022	567	-	567
2023	6,237	-	6,237
2023	-	-	-
	$ 7,938	$ -	$ 7,938

7. PROPERTY TAXES

Union County collects the Village's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the Village on a monthly basis. The Village accounts for its share of property taxes in the General Fund. Only those collections received are recorded as revenues for the budget presentation.

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Summary of Significant Accounting Policies

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

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description - The Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Audit Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the Public Employees Retirement Fund 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 Public Employees Retirement 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), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

Benefits provided - Benefits are generally available at age sixty-five with five or more years of service or after twenty-five years of service, regardless of age for Tier I members. Provisions also exist for retirement between ages sixty and sixty-five, with varying amounts of service required. Certain police and fire members may retire at any age with twenty or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average salary for the thirty-six consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2.00% to 3.50% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

Tier II – The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013, with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the members' age and service credit equals at least eighty-five or at age sixty-seven with eight or more years of service credit. General members hired on or before June 30, 2013 (Tier 1) remain eligible to retire at any age with twenty-five or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4, and 5 are eligible to retire at any age with twenty-five or more years of service credit.

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in twenty-five year retirement plans; however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age sixty with six or more years of service credit. Generally, under Tier II pension factors were reduced by 0.50%, employee contribution increased by 1.50% and effective July 1, 2014, employer contributions were raised by 0.50%. The computation of final average salary increased as the average of salary for sixty consecutive months.

Contributions -See PERA's comprehensive annual financial report for the contribution rates and pension factors as of July 1, 2017.

	Employee Contribution Percentage			Pension Factor per Year of Service		
	Annual Salary less than $20,000	Annual Salary less greater $20,000	Employer Contribution Percentage	Tier I	Tier II	Pension Maximum as a Percentage of the Final Average Salary
State Plan 3	7.42 %	8.92 %	16.99 %	3.00 %	2.50 %	90.00 %
Municipal Plan 1(plan open to new employers)	7.00 %	8.50 %	7.40 %	2.00 %	2.00 %	90.00 %
Municipal Plan 2(plan open to new employers)	9.15 %	10.65 %	9.55 %	2.50 %	2.00 %	90.00 %
Municipal Plan 3(plan closed to new employers on 6/95)	13.15 %	14.65 %	9.55 %	3.00 %	2.50 %	90.00 %
Municipal Plan 4(plan closed to new employers on 6/00)	15.65 %	17.15 %	12.05 %	3.00 %	2.50 %	90.00 %
Municipal Police Plan 1	7.00 %	8.50 %	10.40 %	2.00 %	2.00 %	90.00 %
Municipal Police Plan 2	7.00 %	8.50 %	15.40 %	2.50 %	2.00 %	90.00 %
Municipal Police Plan 3	7.00 %	8.50 %	18.90 %	2.50 %	2.00 %	90.00 %
Municipal Police Plan 4	12.35 %	13.85 %	18.90 %	3.00 %	2.50 %	90.00 %
Municipal Police Plan 5	16.30 %	17.80 %	18.90 %	3.50 %	3.00 %	90.00 %
Municipal Fire Plan 1	8.00 %	9.50 %	11.40 %	2.00 %	2.00 %	90.00 %
Municipal Fire Plan 2	8.00 %	9.50 %	17.90 %	2.50 %	2.00 %	90.00 %
Municipal Fire Plan 3	8.00 %	9.50 %	21.65 %	2.50 %	2.00 %	90.00 %
Municipal Fire Plan 4	12.80 %	14.30 %	21.65 %	3.00 %	2.50 %	90.00 %
Municipal Fire Plan 5	16.20 %	17.70 %	21.65 %	3.50 %	3.00 %	90.00 %
Municipal Detention Officer Plan 1	16.65 %	18.15 %	17.05 %	3.00 %	3.00 %	90.00 %
State Police and Adult Correctional Officer Plan 1	7.60 %	9.10 %	25.50 %	3.00 %	3.00 %	90.00 %
State Plan 3 - Peace Officer	7.42 %	8.92 %	16.99 %	3.00 %	3.00 %	90.00 %
Juvenile Correctional Officer Plan 2	4.78 %	6.28 %	26.12 %	3.00 %	3.00 %	90.00 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, Village of Reserve reported a liability of $229,589 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019.

Village of Reserve's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the Village's proportion was 0.0144%.

For the year ended June 30, 2019, the Village recognized pension expense of $20,393. At June 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	$ 6,635	$ 6,028
Changes of assumptions	20,816	1,320
Net difference between projected and actual earnings on pension plan investments	17,028	-
Changes in proportion and differences between Village of Reserve contributions and proportionate share of contributions	21,764	8,959
Village of Reserve contributions subsequent to the measurement date	11,930	-
Total	$ 78,173	$ 16,307

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

In June 30, 2019 $11,930, deferred outflows - contributions made after measurement date, will be recognized as a reduction of net pension liability. Other deferred amounts to be recognized in fiscal years following the reporting date are below:

Year Ended June 30:

2020	$	23,378
2021	$	16,347
2022	$	9,287
2023	$	924

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, 2018 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, 2018 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, 2018. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2018 actuarial valuation.

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions	
* Investment rate of return	7.25% annual rate, net of investment expense
* Projected benefit payment	100 years
* Payroll growth	3% annual rate
* Projected salary increases	3% to 13.5% annual rate
* Includes inflation at	2.5% annual rate
* Mortality Assumption	PR-2000 Mortality Tables (combined table for healthy post-retirements, Employee Table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
* Experience Study Dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2016 (economic)

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

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

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
Global Equity	43.5 %	7.48 %
Risk Reduction & Mitigation	21.5	2.37
Credit Oriented Fixed Income	15.0	5.47
Real Assets	20.0	6.48
Total	100.0 %	

Discount rate: The discount rate used to measure the total pension liability was 7.25 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 68. Therefore, the 7.25 percent 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 net pension liability to changes in the discount rate:
The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Village of Reserve's net pension liability in each PERA Fund Division that Village of Reserve participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

	1% Decrease 6.25%	Current 7.25%	1% Increase 8.25%
Net Pension Liability	$ 353,781	$ 229,589	$ 126,924

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial report.

Payable Changes in the Net Pension Liability – At June 30, 2019, the Village reported a

8. PENSION PLAN PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (CONTINUED)

payable of $462 for outstanding contributions due to PERA for the year ended June 30, 2019.

9. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description - Employees of the Village are provided with OPEB through the Retiree Health Care Fund (Fund) – a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Village (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico. NMRHCA is an independent agency of the state of New Mexico. The funds administered by NMRHCA are considered part to the state of New Mexico financial reporting entity and are OPEB trust funds of the state of New Mexico. NMRHCA's financial information is included with the financial presentation of the state of New Mexico.

<u>Benefits Provided</u>

The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents, and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

<u>Employees Covered by Benefit Terms</u>

At June 30, 2018, the Fund's measurement date, following employees were covered by the benefit terms:

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment healthcare plan. That report, and further information, can be obtained by writing to the Retiree Health Care Village at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Village were $3,225 for the year ended June 30, 2019.

9. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2019, the Village reported a liability of $153,932 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Village's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the Village's proportion was 0.00354 percent.

For the year ended June 30, 2019, the Village recognized OPEB expense of $1,837. At June 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 28,738
Net difference between projected and actual earnings on OPEB plan investments	-	1,921
Difference between expected and actual experience	-	9,114
Change in proportion	9,640	-
Contributions made after the measurement date	3,225	-
	$ 12,865	$ 39,773

Deferred outflows of resources totaling $3,225 represent Village contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending	
2020	$ (8,063)
2021	(8,063)
2022	(8,063)
2023	(5,762)
2024	(182)
	$ (30,133)

9. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal , level percent of pay,calculated on individual employee basis
Asset valuation method	Market Value of assets
Actuarial assumptions	
Inflation	2.50% for ERB: 2.25% for PERA
Projected payroll increases	3.25% to 12.5%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation.
Healthcare cost trend rate	8% graded down to 4.5% over 14 years for non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return – The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of Investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The best estimates for the long-term expected rate of return is summarized as follows:

Assets Class	Long-Term Rate of Return
U.S. core of fixed income	2.1%
U.S equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

9. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
$ 186,294	$ 153,932	$ 128,423

The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rate	1% Increase
$ 130,126	$ 153,932	$ 172,596

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2018.

Payable Changes in the Net OPEB Liability – At June 30, 2019, the Village reported a payable of $187.31 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

10. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. To manage these risks the Village participates as a member of the New Mexico Self Insurer's Fund, a pooled joint powers Insurance Village. The Village is administered by the New Mexico Municipal League, a nonprofit, comprised of 103 public entities. The Village is organized under joint powers agreements as provided by Section 11-1-1 et. Seq, NMSA, 1978. The purpose of the Village is to arrange and administer programs for pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage. Each member government participates in the election of Board of Directors, who appoints the Insurance Board of Trustees. Insurance premiums paid to the Village for fiscal year 2019 amounted to $8,128.

Tort claims are generally limited by the Tort Claims Act, Section 41-4-1 et. Seq, NMSA, 1978. The Village retains some risk for coverage which may be less than the tort claims limitation. Certain claims relating to certain public construction, operation of motor vehicles, building maintenance and certain health care activities are exempt from the Act.

General Liability Insurance: The policy provides an annual aggregate coverage of $4,000,000 with $400,000 per person for bodily injury and $750,000 per occurrence. Property damage coverage is for $100,000 per occurrence.

Workers' Compensation Insurance: The policy limits provides coverage of $1,050,000 per occurrence and $1,050,000 annual aggregate coverage.

Property Insurance: Property insurance insures Village buildings for an aggregate of $1,396,033, including contents, with separate electronic data processing equipment of $9,000. Deductibles are $250 per occurrence. Automobile comprehensive is included with a deductible of $250.

Fidelity Bond: Blanket fidelity bond coverage in the amount of $500,000 with deductible of $10,000 is provided.

The New Mexico Self Insurer's Fund assesses a premium to the Village to cover expenses of the fund which Includes claims, reinsurance expenses, administration and other costs.

Risk management activities are reported primarily in the General Fund. Other funds may reimburse the General Fund for certain coverage. The Village has not significantly reduced Insurance coverage from the prior year. Settlements have not exceeded Insurance coverage for the past three years. Management is not aware of any

10. RISK MANAGEMENT (CONTINUED)

outstanding claims.

11. INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2019 consisted the following:

	Transfers In	Transfers Out
General Fund	$ 800	$ (161,973)
Fire Fund	75,266	(20,105)
Lodger Tax	-	(800)
Debt services	31,023	-
Capital Fund	117,191	-
Water Fund	50,567	(91,969)
	$ 274,847	$ (274,847)

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 13, 2019 the date the financial statements were available to be issued.

13. TAX ABATEMENTS

There are no tax abatements to report under GASB 77.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO VILLAGE OF RESERVE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
FOR THE YEAR ENDED JUNE 30, 2019

	2019	**2018**	**2017**	**2016**	**2015**
The State of New Mexico Village of Reserve's proportion of the net pension liability	$ 229,589	$ 166,264	$ 191,720	$ 148,860	$ 136,519
The State of New Mexico Village of Reserve's proportionate share of the net pension liability	0.0144%	0.0121%	0.0120%	0.0146%	0.0175%
The State of New Mexico Village of Reserve's covered-employee payroll	$ 154,961	$ 151,101	$ 132,075	$ 70,615	$ 155,923
The State of New Mexico Village of Reserve's proportionate share of the net pension liability as a percentage of its covered-employee payroll	148.15 %	110.04 %	145.16 %	210.81 %	87.56 %
Plan fiduciary net position as a percentage of the total pension liability	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

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

STATE OF NEW MEXICO VILLAGE OF RESERVE
SCHEDULE OF CONTRIBUTIONS
PERA MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017	2016	2015
Contractually required contribution	$ 11,930	$ 11,589	$ 9,773	$ 9,818	$ 11,480
Contributions in relation to the contractually required contribution	11,930	11,589	9,773	9,818	11,480
Contribution deficiency (excess)	-	-	-	-	-
The State of New Mexico Village of Reserve' covered-employee payroll	$ 154,961	$ 151,101	$ 132,075	$ 70,615	$ 155,923
Contributions as a percentage of covered-employee payroll	7.69 %	7.66 %	7.40 %	13.90 %	7.36 %

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, The State of New Mexico Village of Reserve will present information for those years for which information is available.

Changes of benefit terms- The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 on pages 40-42 of the PERA FY18 audit available at http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY18-Edited.pdf.

Changes of assumptions- The Public Employees Retirement Association (PERA) of the NEW Mexico Annual Actuarial Valuation as of June 30, 2018 is available at http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY18-Edited.pdf. See Appendix B on pages 53 - 61 of the report which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

Changes in assumptions resulted in a decrease of $63.3 million to the total pension liability for the PERA Fund and an increase of 0.42% to the funded ratio for the year ended June 30, 2018. See more details of actuarial methods and assumptions on Note 2 on page 34 of PERA's Schedule of Employer Allocations and Pension amounts at http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY18-Edited.pdf

STATE OF NEW MEXICO VILLAGE OF RESERVE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2019

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village of Reserve will present information for available years.

	2019	**2018**
State of New Mexico Village of Reserve's proportion of the net OPEB liability	0.00354%	0.00333%
State of New Mexico Village of Reserve's proportionate share of the net OPEB liability	$ 153,932	$ 150,905
State of New Mexico Village of Reserve's covered-employee payroll	$ 151,888	$ 138,716
State of New Mexico Village of Reserve's proportionate share of net OPEB liability as a percentage of its covered - employee payroll	101.35%	108.79%
Plan fiduciary net pension as a percentage of the total OPEB liability	13.14%	11.34%

STATE OF NEW MEXICO VILLAGE OF RESERVE
SCHEDULE OF CONTRIBUTIONS
OPEB MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2019

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village of Reserve will present information for available years.

	2019	2018
Contractually required contribution	$ 5,532	$ 10,574
Contributions in relation to the contractually required contribution	5,464	5,307
Contribution deficiency (excess)	$ 68	$ 5,267
State of New Mexico Village of Reserve's covered-employee payroll	$ 151,888	$ 138,716
Contribution as a percentage of covered-employee payroll	3.60%	3.83%

Benefit changes - In 2019 no benefit changes to those in place. Retirees and spouses are eligible for medical and prescription drug benefits. Dental and vision benefits are also available. New Mexico Retiree Health Care Authority audited comprehensive annual financial report is available at the following web address: www.nmrhca.state.nm.us

Changes of Assumptions - The OPEB salary scale, inflation, and payroll assumptions were updated to reflect assumptions used in the OPEB June 30, 2018 retire health care fund valuation. Per capita costs, future trend for health costs, and medical election assumptions were updated.

SUPPLEMENTAL INFORMATION

NON MAJOR FUNDS

Lodgers Tax Fund - To account for the administration of the Village promotional effort. Funds are derived from a lodger's tax imposed on motel rentals. (Village is NMSA 3-38-13).

DWI Fund - To account for resources received to pay salaries, travel and minor equipment to provide DWI program activities. Funding is from State grants provided by the State of New Mexico.

LEP Fund - Annual state distribution to all qualified New Mexico police departments. LEP distribution from the state is $20,000.

Capital Project Fund - This fund accounts for the Village's capital project in conjunction with the improving of the water system.

STATE OF NEW MEXICO
VILLAGE OF RESERVE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Special Revenue				
	Lodgers Tax Fund	DWI Fund	LEP Fund	Capital Projects Fund	Total Nonmajor Fund
ASSETS					
Cash and cash equivalents	$ 8,495	$ -	$ -	$ 8,358	$ 16,853
Due from other funds	-	-	-	576,803	576,803
Total assets	$ 8,495	$ -	$ -	$ 585,161	$ 593,656
LIABILITIES AND FUND BALANCE					
Due to other funds	$ -	$ -	$ -	$ 381,034	$ 381,034
Fund balance:					
Restricted, reported in:					
Capital project funds	-	-	-	204,127	204,127
Special revenue funds	8,495	-	-	-	8,495
Total liabilities and fund balance	$ 8,495	$ -	$ -	$ 585,161	$ 593,656

STATE OF NEW MEXICO
VILLAGE OF RESERVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue				
	Lodgers Tax Funds	**DWI Funds**	**LEP Funds**	**Capital Projects Funds**	**Total Nonmajor Funds**
REVENUES					
Taxes	$ 5,575	$ -	$ -	$ -	$ 5,575
Miscellaneous income	26	-	20,000	78,578	98,604
Total revenues	5,601	-	20,000	78,578	104,179
EXPENDITURES					
Public safety	-	-	20,000	-	20,000
Public works	4,291	-	-	-	4,291
Total expenditures	4,291	-	20,000	-	24,291
Excess (deficiency) of revenues over expenditures	1,310	-	-	78,578	79,888
OTHER FINANCING SOURCES					
Operating transfers in	-	-	-	117,191	117,191
Operating transfers out	(800)	-	-	-	(800)
Total other financing sources	(800)	-	-	117,191	116,391
Net change in fund balance	510	-	-	195,769	196,279
Fund balance, beginning of year	7,985	-	-	8,358	16,343
Fund balance, end of year	$ 8,495	$ -	$ -	$ 204,127	$ 212,622

STATE OF NEW MEXICO
VILLAGE OF RESERVE
SCHEDULE OF DEPOSITORIES
AS OF JUNE 30, 2019

	Type	Amount Per Bank	Plus DIT	Outstanding Checks	Balance Per Books
First State Bank					
Operating account	CK	$ 497,876	$ -	$ (4,216)	$ 493,660
Fire Fund	CK	449,950	-	(7,788)	442,162
USDA Water	CK	6,114	-	-	6,114
USDA Water Reserve	CK	6,114	-	-	6,114
Replacement Reserve	CK	100,213	-	-	100,213
NMFA	NMFA	2,199	-	-	2,199
Water Meter	SV	22,350	-	-	22,350
Total Cash	SV	1,084,816	-	(12,004)	1,072,812
Certificate of Deposit	CD	16,000	-	-	16,000
Investments	CD	21,816	-	-	21,816
Total		$ 1,122,632	$ -	$ (12,004)	$ 1,110,628

Type:
CK= Checking
SV= Savings
CD= Certificate of Deposit

	First State Bank	US Treasury
Amount held in bank June 30, 2019	$ 1,122,632	$ 21,816
Less NMFA reserve	2,199	-
Less USA Treasury	-	21,816
Less FDIC Insurance	250,000	-
Uninsured Public Funds	870,433	-
50% Collateral Requirements (Section 6-10-17 NMSA-1978)	435,217	-
Pledged Securities	907,767	-
Over (Under) Collateralized	$ 472,550	$ -

STATE OF NEW MEXICO
VILLAGE OF RESERVE
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
AS OF JUNE 30, 2019

Description of Pledged Collateral	Fair Market Value		Name and Location of Safekeeper
FFCB, CUSIP#3133EEB33, Maturing 07/22/2024	$	295,549	Federal Home Loan Bank of Dallas
FFCB, CUSIP#31331VKU9, Maturing 4/16/2025		612,218	Federal Home Loan Bank of Dallas
Total pledged securities	$	907,767	

See independent auditors' report and accompanying notes to financial statements

COMPLIANCE SECTION

Beasley, Mitchell & Co.
Certified Public Accountants

Christine Wright, CPA, Partner
Brad Beasley, CPA, Partner
Tony Morán, CPA, Partner
Christopher Salcido, CPA, Partner

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

Mr. Brian S. Colón
Office of the State Auditor
and the Mayor and Village Council of the
Village of Reserve

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, the budgetary comparisons of the general fund and major special revenue funds of Village of Reserve, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Village of Reserves's basic financial statements, and the combining and individual funds of the Village, presented as supplemental information, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Village of Reserve's internal control over financial reporting (internal control) to determine the audit 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 Village of Reserve's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Reserve's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Reserve's financial statements are free from 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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Reserve internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Beasley Mitchell & Co LLP

Beasley, Mitchell & Co.
Las Cruces, New Mexico
December 13, 2019

STATE OF NEW MEXICO
VILLAGE OF RESERVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued	Unmodified
2. Internal control over financial reporting:	
a. Materials weaknesses identified?	None noted
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	None noted

STATE OF NEW MEXICO
VILLAGE OF RESERVE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

PRIOR YEAR FINDINGS:

No Findings

CURRENT YEAR FINDINGS:

No Findings

STATE OF NEW MEXICO
VILLAGE OF RESERVE
FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2019

The financial statements of the Village of Reserve as of, and for the year ended, June 30, 2019 were prepared by Beasley, Mitchell & Co., LLP, with the aid of responsible Village personnel. Official responsible personnel agree that the presentations are made with their knowledge and agreement.

STATE OF NEW MEXICO
VILLAGE OF RESERVE
ENTRANCE AND EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2019

An entrance conference was conducted August 20, 2019 in a closed meeting of the Village of Reserve pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Village of Reserve

Hilda Kellar	Mayor
Andre Giron	Municipal Clerk
Amanda Cox	Deputy Clerk

Beasley, Mitchell & Co., LLP

Amr Sakka, CPA	Audit Senior

An exit conference was conducted December 11, 2019 in a closed meeting of the Village of Reserve pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Village of Reserve

Hilda Kellar	Mayor
Andre Giron	Municipal Clerk
Amanda Cox	Deputy Clerk

Beasley, Mitchell & Co., LLP

Amr Sakka, CPA	Audit Senior