

Village of

Ruidoso

New Mexico



*Living in
Nature's
Playground*

Annual Financial Report

For the Year Ended June 30, 2015

Progress & Success through Leadership,
Commitment, & Sustainable Results
Celebrating 70 Years of Living in Nature's Playground
1945-2015



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STATE OF NEW MEXICO VILLAGE OF RUIDOSO

**INDEPENDENT AUDITOR'S REPORT WITH FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2015

Prepared by:
Judi M. Starkovich, CPA
Finance Director

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INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2015**

ELECTED OFFICIALS

MAYOR	TOM BATTIN
MAYOR PRO TEM	LYNN CRAWFORD
COUNCILOR	RAFAEL "RIFLE" SALAS
COUNCILOR	JOE EBY
COUNCILOR	JOHN CORNELIUS
COUNCILOR	TIM COUGHLIN
COUNCILOR	JOE GOMEZ

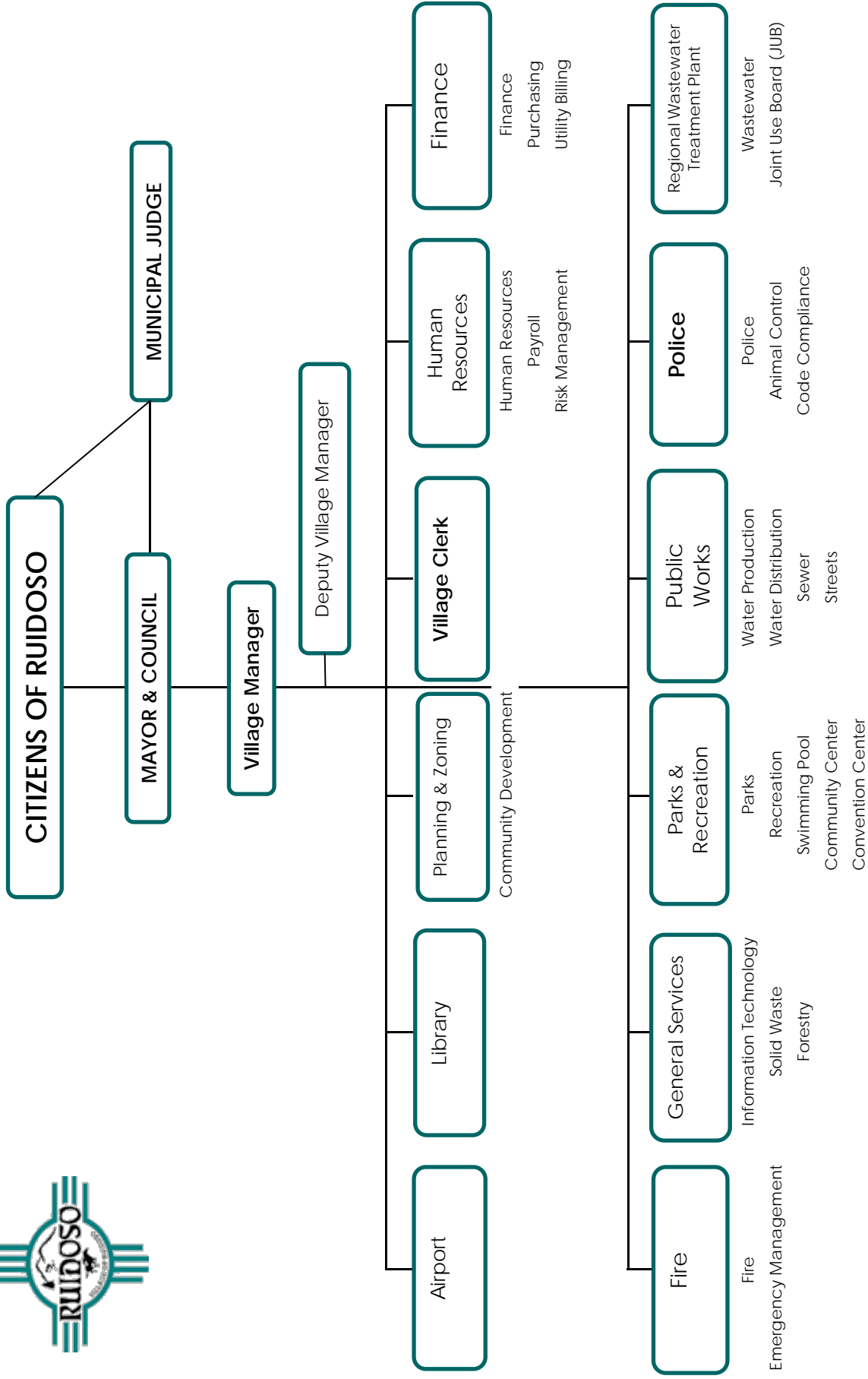
APPOINTED OFFICIALS

VILLAGE MANAGER	DEBI LEE
VILLAGE CLERK	IRMA DEVINE
POLICE CHIEF	JOE MAGILL

OTHER OFFICIALS

FINANCE DIRECTOR	JUDI STARKOVICH
ASST. FINANCE DIRECTOR	KAREN GUTIERREZ

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ELECTED OFFICIALS
Appointed Officials
 Department Heads

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Ruidoso
and Mr. Tim Keller
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund of the Village of Ruidoso ("Village") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village's nonmajor governmental funds, internal service fund, fiduciary fund and the budgetary comparisons for the major debt service fund, major enterprise funds and all of the nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinions

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, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, internal service fund, and fiduciary fund of the Village as of June 30, 2015, and the respective changes in

financial position thereof and the respective budgetary comparisons for the major debt service fund, major enterprise funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 4 Section H to the financial statements, in 2015 the Village adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 14, Schedule of the Village's Proportionate Share of the Net Pension Liability, and Schedule of Village Contributions on pages 62 and 63 to 67, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 that collectively comprise the Village's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules as required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and 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 Schedule of Expenditures of federal awards and 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.

The Schedule of Vendor Information for Purchases Exceeding \$60,000 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the Village'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 the Village's internal control over financial reporting and compliance.

The logo for Axiom, featuring the word "Axiom" in a stylized, cursive blue font.

Albuquerque, New Mexico
December 14, 2015



Village of Ruidoso

Mayor Tom Battin
Councilors Rafael Salas
Lynn Crawford
Joe Eby
John Cornelius
Tim Coughlin
Joe Gomez
Manager Debi Lee

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village of Ruidoso (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the audit report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$67,517,348 (*net position*). Of this amount, \$7,439,079 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's total net position increased \$9,000,725 because of an overall increase of 3.3% in revenues and expenditures were reduced by 6.4%, mainly from the prior year completion of many Village projects.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$11,658,076, an increase of \$4,112,224 in comparison with the prior year. Approximately 26.2% of this amount (\$3,056,300) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *assigned* and *unassigned* components of *fund balance*) for the general fund was \$4,479,161, or approximately 42.0% of total general fund expenditures.
- The Village's total outstanding long-term debt increased by \$1,745,669 during the current fiscal year because of the issuance of General Obligation bonds and a New Mexico Finance Authority (NMFA) loan for the Grindstone Dam liner repair.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, public safety, public works (including highways and streets), culture and recreation, and health and welfare. The business-type activities of the Village include the operations of Ruidoso Joint Utilities (RJU) (water and sewer), the Sierra Blanca Regional Airport, Solid Waste, the Regional Wastewater Treatment Plant (RWWTP), and the Risk Management Internal Service Fund.

The government-wide financial statements include only the Village itself (known as the *primary government*) because it does not have any component units.

The government-wide financial statements can be found on pages 15 - 16 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains seventeen (17) governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the General Obligation (GO) Bonds Debt Service Fund, which are considered to be major funds. Data from the other fifteen (15) governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with each budget.

The basic governmental fund financial statements can be found on pages 17 - 21 of this report.

Proprietary Funds. The Village maintains two different types of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its RJU, Airport, Solid Waste and RWWTP operations. The Village uses an *Internal Service Fund* to account for its insurance administration. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for RJU, Airport, Solid Waste and RWWTP operations, all of which are considered to be major funds of the Village.

The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Village maintains one type of fiduciary funds. The *Agency fund* reports resources held by the Village in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 61 of this report.

Other Information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,517,348, at the close of the most recent fiscal year.

VILLAGE OF RUIDOSO'S NET POSITION
(AMOUNTS IN THOUSANDS)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
ASSETS						
Current and other assets	\$ 13,122	\$ 9,772	\$ 20,531	\$ 17,586	\$ 33,653	\$ 27,358
Capital assets	<u>39,617</u>	<u>39,692</u>	<u>34,437</u>	<u>30,267</u>	<u>74,054</u>	<u>69,959</u>
Total Assets	<u>52,739</u>	<u>49,464</u>	<u>54,968</u>	<u>47,853</u>	<u>107,707</u>	<u>97,317</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,092</u>	<u>24</u>	<u>349</u>	<u>0</u>	<u>1,441</u>	<u>24</u>
LIABILITIES						
Long-term liabilities outstanding	8,409	5,945	16,122	16,652	24,531	22,597
Net pension liability	8,076	0	2,281	0	10,357	0
Other liabilities	<u>978</u>	<u>2,000</u>	<u>2,087</u>	<u>1,465</u>	<u>3,065</u>	<u>3,465</u>
Total Liabilities	<u>17,463</u>	<u>7,945</u>	<u>20,490</u>	<u>18,117</u>	<u>37,953</u>	<u>26,062</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,784</u>	<u>0</u>	<u>894</u>	<u>0</u>	<u>3,678</u>	<u>0</u>

NET POSITION

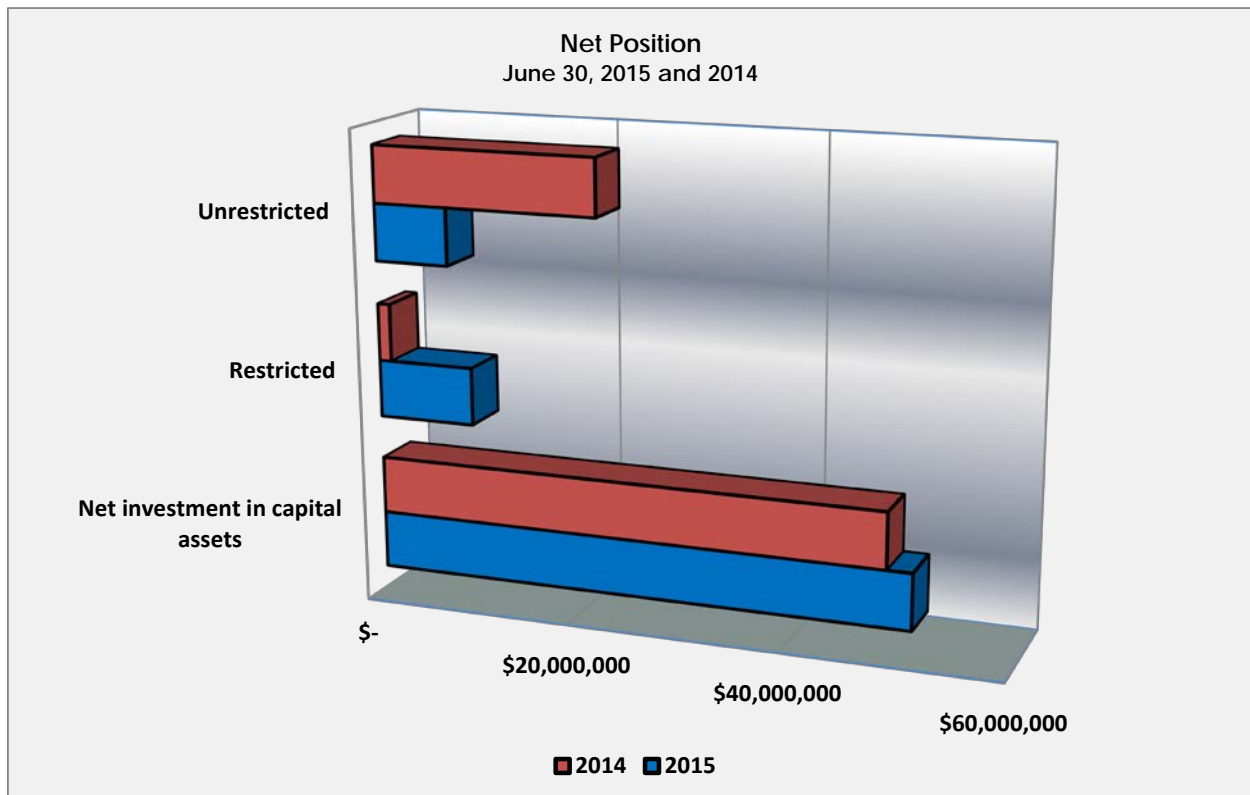
Net investment in capital assets	32,038	34,446	18,803	14,046	50,841	48,492
Restricted	4,077	214	5,160	938	9,237	1,152
Unrestricted (deficits)	<u>(2,531)</u>	<u>6,883</u>	<u>9,970</u>	<u>14,752</u>	<u>7,439</u>	<u>21,635</u>
Total Net Position	<u>\$ 33,584</u>	<u>\$ 41,543</u>	<u>\$ 33,933</u>	<u>\$ 29,736</u>	<u>\$ 67,517</u>	<u>\$ 71,279</u>

By far, the largest portion of the Village’s net position 75.3% (\$50,840,848) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the Village’s investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village’s net position which totals \$9,237,421 (13.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,439,079 (11.0%) is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all reported categories of net position except for the unrestricted category for governmental activities (\$2,531,674), which is attributed to the recording of a net pension liability under GASB 68, *Accounting and Financial Reporting for Pensions*. In the prior year, the Village was able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

However, the Village’s overall net position increased \$9,000,725 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.



VILLAGE OF RUIDOSO'S CHANGES IN NET POSITION
(AMOUNTS IN THOUSANDS)

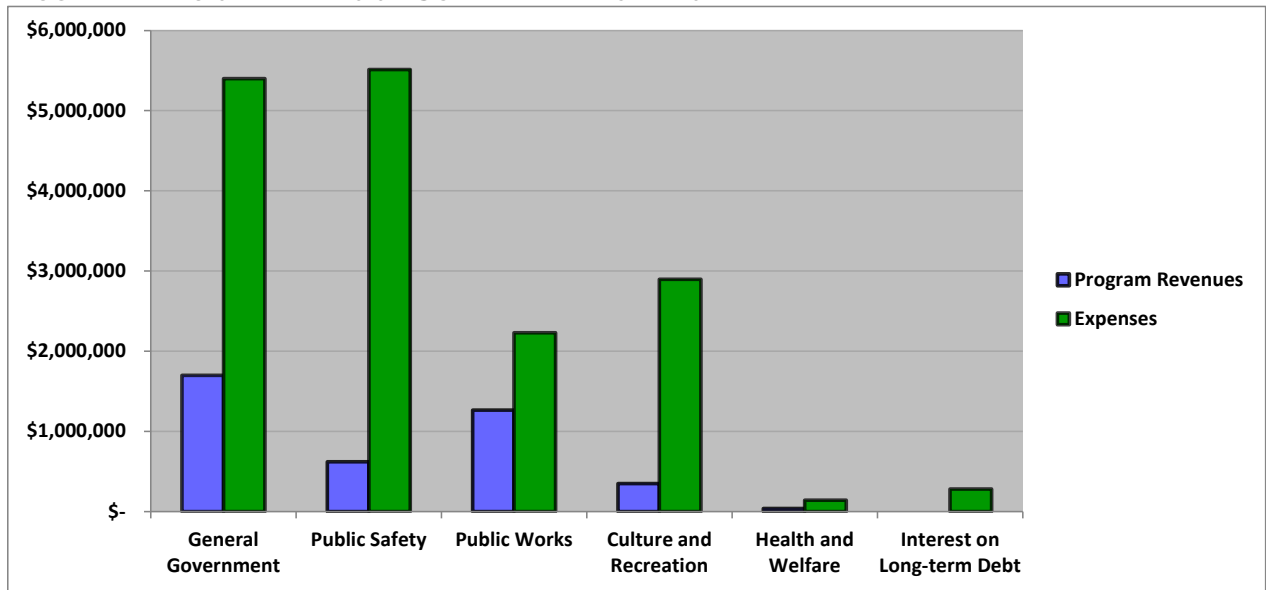
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
REVENUES						
Program revenues:						
Charges for services	\$ 1,731	\$ 1,040	\$ 13,821	\$ 12,162	\$ 15,552	\$ 13,202
Operating grants and contributions	984	0	135	0	1,119	0
Capital grants and contributions	1,257	5,567	3,389	896	4,646	6,463
General revenues:						
Property taxes	3,080	2,537	0	0	3,080	2,537
Other taxes	6,046	5,506	3,848	3,826	9,894	9,332
Grants and contributions not restricted to specific programs	3,279	3,466	0	0	3,279	3,466
Other	<u>973</u>	<u>1,310</u>	<u>95</u>	<u>1,110</u>	<u>1,068</u>	<u>2,420</u>
Total Revenues	<u>17,350</u>	<u>19,426</u>	<u>21,288</u>	<u>17,994</u>	<u>38,638</u>	<u>37,420</u>
EXPENSES						
General government	5,401	3,754	0	0	5,401	3,754
Public safety	5,513	5,603	0	0	5,513	5,603
Public works	2,231	6,043	0	0	2,231	6,043
Culture and recreation	2,898	3,173	0	0	2,898	3,173
Health and welfare	141	150	0	0	141	150
Interest on long-term debt	280	12	0	0	280	12
Water and sewer	0	0	5,304	5,279	5,304	5,279
Airport	0	0	1,987	1,867	1,987	1,867
Solid waste	0	0	3,018	3,282	3,018	3,282
Wastewater	<u>0</u>	<u>0</u>	<u>2,865</u>	<u>3,061</u>	<u>2,865</u>	<u>3,061</u>
Total Expenses	<u>16,464</u>	<u>18,735</u>	<u>13,174</u>	<u>13,489</u>	<u>29,638</u>	<u>32,224</u>
Increase (decrease) in net position before transfers	886	691	8,114	4,505	9,000	5,196
Transfers	<u>942</u>	<u>(67)</u>	<u>(942)</u>	<u>67</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	<u>1,828</u>	<u>624</u>	<u>7,172</u>	<u>4,572</u>	<u>9,000</u>	<u>5,196</u>
Net Position, Beginning of Year	41,543	40,919	29,736	25,164	71,279	66,083
Restatement	<u>(9,787)</u>	<u>0</u>	<u>(2,975)</u>	<u>0</u>	<u>(12,762)</u>	<u>0</u>
Net Position, Beginning of Year RESTATED	<u>31,756</u>	<u>40,919</u>	<u>26,761</u>	<u>25,164</u>	<u>58,517</u>	<u>66,083</u>
Net Position, End of Year	<u>\$ 33,584</u>	<u>\$ 41,543</u>	<u>\$ 33,933</u>	<u>\$ 29,736</u>	<u>\$ 67,517</u>	<u>\$ 71,279</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$1,827,371 from the prior fiscal year for an ending balance of \$33,583,250, which includes a prior period adjustment of \$9,786,973 for the adoption of GASB No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this pronouncement created a Net Pension Liability of \$8,076,602, a Deferred Outflow of Resources Pension Related of \$1,069,527, and a Deferred Inflow of Resources Pension Related of \$2,566,781. For further details on this adjustment, please see Note 4.H. on page of 51 of this report.

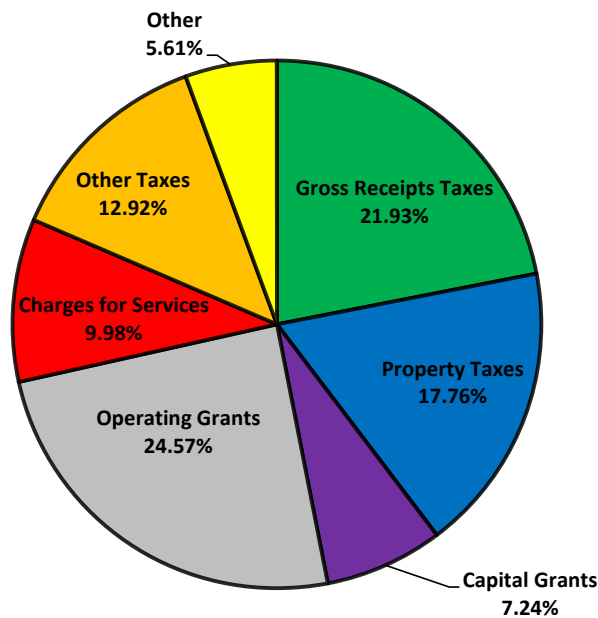
During the prior year, the Village completed many grant funded projects which contributed to the overall decrease in expenditures of \$2,301,436. In addition, departments were very frugal with budgets because during the beginning of the fiscal year tax revenues were drastically lower than prior year and management made a conscience decision to cut back spending until tax revenues bounced backed. Overall division expenditures decreased with the exception of General Government which saw an increase due to depreciation expense of \$1,336,909 because of the change in estimated useful lives of capital assets during the prior year.

The increase in transfers was caused by the reduction of an operating subsidy to the Airport by \$349,675 and increased administrative fees paid by the Enterprise Funds. Fees are paid based on a percentage of revenues received, so as Enterprise Funds revenues increased during the fiscal year, the corresponding payment of administrative fees also increased. The current year was the first full year of RJU's increased water conservation rates.

PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



GENERAL REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type Activities. During the current fiscal year, net position for business-type activities increased \$7,173,354 from the prior fiscal year for an ending balance of \$33,934,098, which includes a prior period adjustment of \$2,975,061 for the adoption of GASB No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this pronouncement created a Net Pension Liability of \$2,281,085, a Deferred Outflow of Resources Pension Related of \$349,364, and Deferred Inflow of Resources Pension Related of \$893,966. For further details on this adjustment, please see Note 4.H. on page of 51 of this report.

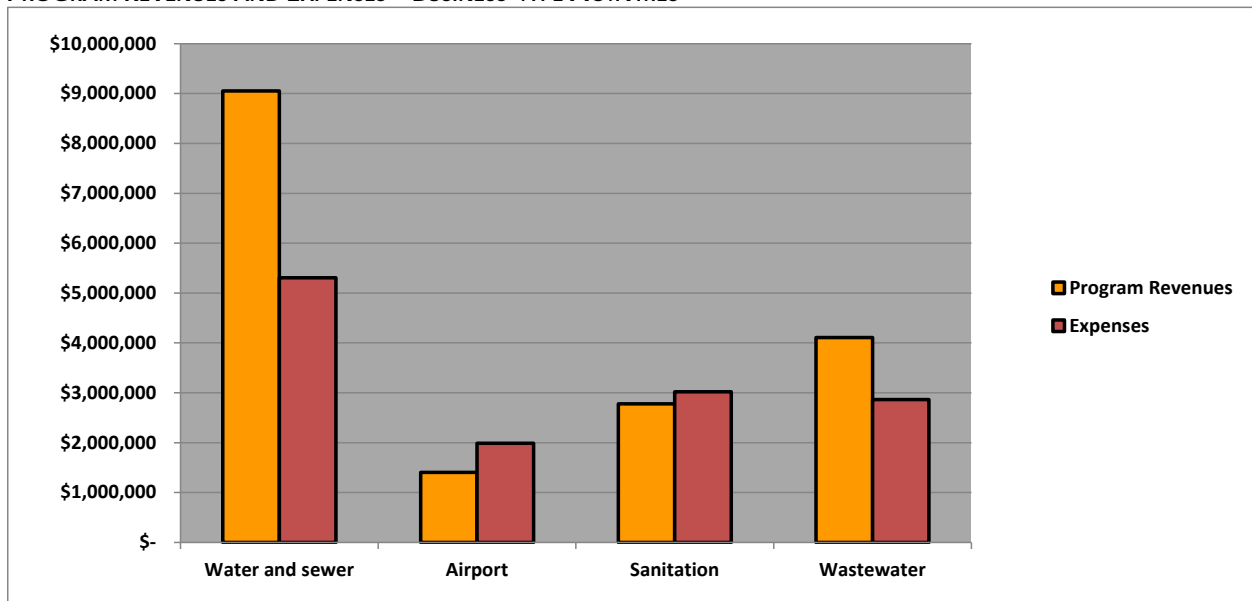
During the current year, RJU received pass-through funding for the repair of the Grindstone Lake dam liner from the New Mexico Finance Authority (NMFA). A total of \$3,710,600 (grants \$3,339,540 and loans \$371,060) was transferred in from governmental activities. The timing between the receipt of funding and the disbursement of the corresponding cash for construction created an increase in net position of \$3,357,669.

In the prior year the Village changed its estimated useful lives of capital assets which resulted in an increase of accumulated depreciation. During fiscal year 2015, depreciation expense stabled out and as a result depreciation decreased over last year by the following:

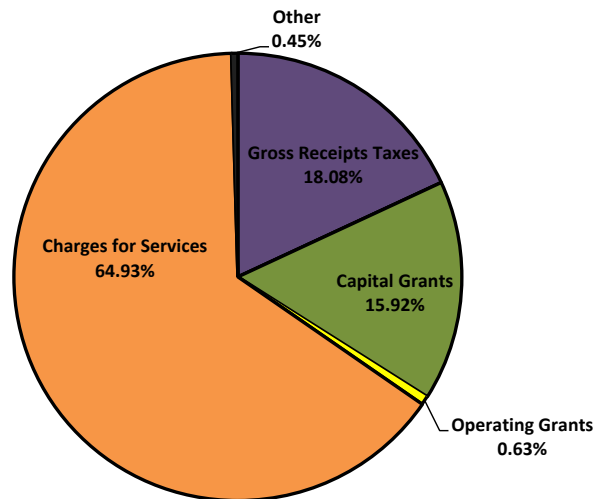
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Difference</u>
RJU – Water and Sewer	\$ 185,183	\$ 167,416	\$ 17,767
Airport	187,733	243,694	(55,961)
Solid Waste	341,348	529,170	(187,822)
RWWTP - Wastewater	<u>596,197</u>	<u>456,761</u>	<u>139,436</u>
	<u>\$ 1,310,461</u>	<u>\$ 1,397,041</u>	<u>\$ (86,580)</u>

Transfers decreased because of the payoff of the Grindstone Loans of \$371,060, the \$349,675 reduction in the Airport’s subsidy from the General Fund, and the increased Administrative Fees paid to the General Fund for increased revenues, mainly from the full year of RJU’s conversation water rates.

PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



GENERAL REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

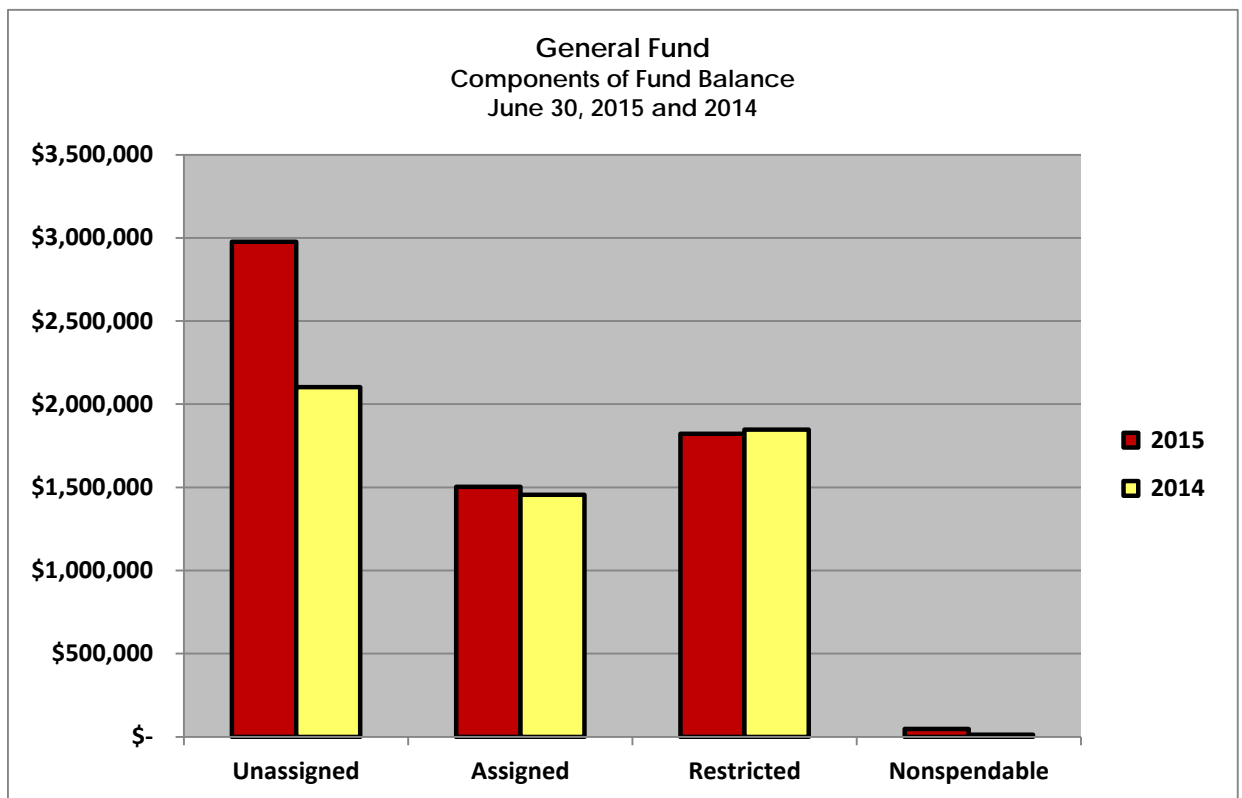


FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

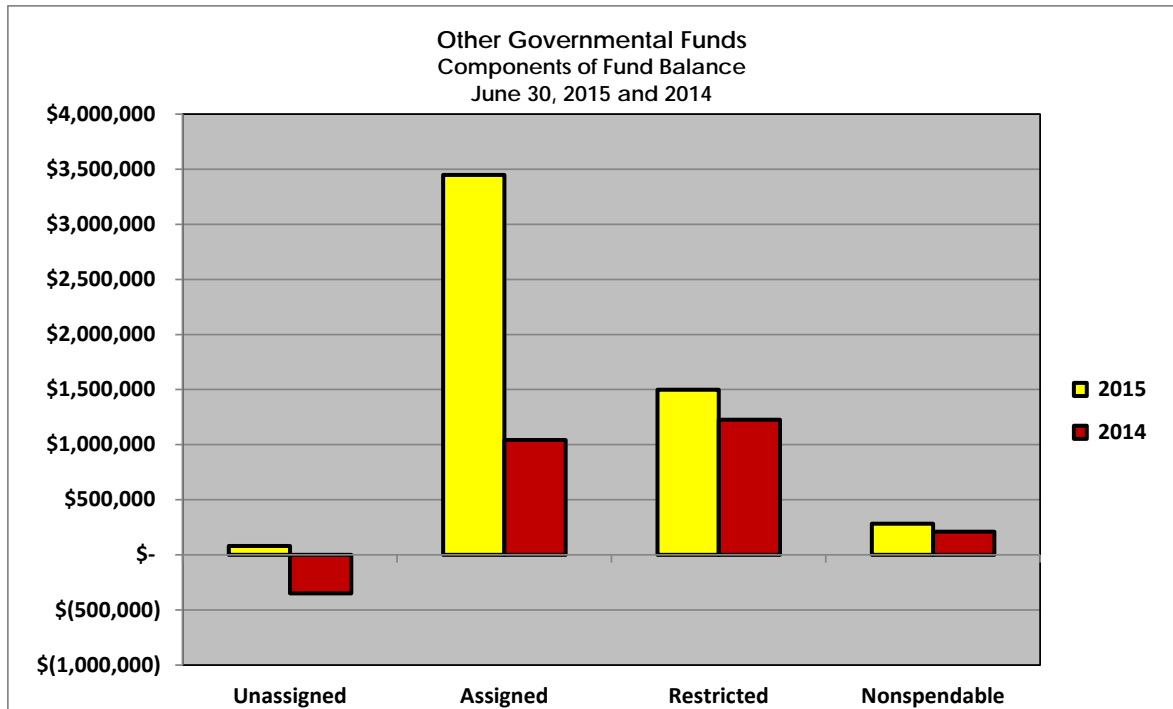
As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village's Council.

At June 30, 2015, the Village's governmental funds reported combined fund balances of \$11,658,076, an increase of \$4,112,224 in comparison with the prior year. Approximately 26.2% of this amount (\$3,056,300) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$330,187), 2) legally required to be maintained intact (\$1,822,166), 3) restricted for particular purposes (\$1,497,835), or 4) assigned for particular purposes (\$4,951,588).



The General fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,975,870, while total fund balance increased to \$6,348,838. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 27.9% of total general fund expenditures, while total fund balance represents approximately 59.6% of that same amount.



The fund balance of the Village's general fund increased \$930,677 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to a slight increase in tax revenues and transfers in for administrative fees by the Enterprise funds. All general use local option GRT taxes were recorded in the General Fund for the first full fiscal year. Expenditures were considerably lower than the prior year, due to management's fiscal responsibility and the fact that some Village construction projects were not completed.

Proprietary Funds. The Village's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

At the end of the year unrestricted net position of the following operations was \$9,970,753: RJU (water and sewer) totaled \$2,170,066, Airport totaled \$397,348, Solid Waste totaled \$199,739, and RWWTP (wastewater) totaled \$7,203,600. The total growth in net position for all four (4) funds was \$7,179,948 (RJU \$5,587,053, Airport (\$378,042), Solid Waste \$129,711, and RWWTP \$1,841,226). In addition, RJU reported a positive balance in restricted net position of \$5,160,175. Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget compared to Final Budget. During the year there was a need to adjust original estimated revenues for Other (Franchise) Taxes and Administrative Fees which resulted in a corresponding increase to original budgeted appropriations. In addition, adjustment of grant awards to actual amounts received caused an increase to intergovernmental revenues.

Final Budget compared to Actual Results. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Intergovernmental - Federal	\$ 590,169	\$ 97,107	\$ (493,062)
Intergovernmental - State	3,693,559	3,383,022	(310,537)
Licenses and permits	445,000	263,968	(181,032)
Charges for services	207,230	99,757	(107,473)

Intergovernmental is the classification used to report grant revenues. The shortfall was the result of unexpected delays in the building of a river trail which has not been completed whose funding is a reimbursement federal grant. State grants did not meet projections because several projects were never started during the current fiscal year and therefore, will be rolled over into fiscal year 2016. Licenses and permits were down because of vacancies with in our Planning Department and the fact that building within Village limits dramatically slowed down during the fiscal year.

The budget savings in the expenditure area were a combination of three scenarios. First, several vacant positions were not filled during the fiscal year and therefore, saved the General Fund approximately \$702,553. Management of departmental budgets was extremely tight and therefore, actual levels did not even come close to budgeted amounts. Budget savings totaled \$1,300,940 along with the fact that capital outlay for the River Trail was not completed. Department directors have been working with less and maintaining the same service levels for some time. However, this method of management is not sustainable.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village’s investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$50,840,848 (net of accumulated depreciation). This investment in capital assets includes, land building, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and distribution and production systems. The total increase in capital assets for the current fiscal year was approximately 5.85%.

**VILLAGE OF RUIDOSO’S CAPITAL ASSETS
NET OF DEPRECIATION
(AMOUNTS IN THOUSANDS)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
Land	\$ 10,316	\$ 10,316	\$ 1,140	\$ 1,140	\$ 11,456	\$ 11,456
Buildings and improvements	7,229	7,672	2,809	2,974	10,038	10,646
Machinery and equipment	1,260	758	419	451	1,679	1,209
Infrastructure	18,502	18,705	23,453	23,305	41,955	42,010
Vehicles	2,118	2,173	1,590	1,858	3,708	4,031
Art	18	18	0	0	18	18
Construction in progress	174	50	5,026	539	5,200	589
	<u>\$ 39,617</u>	<u>\$ 39,692</u>	<u>\$ 34,437</u>	<u>\$ 30,267</u>	<u>\$ 74,054</u>	<u>\$ 69,959</u>

Major capital asset events during the current fiscal year included the following:

- The purchase of various vehicles and equipment at a total cost of \$1,171,883
- Various projects related to water and sewer distribution systems improvements at a total cost of \$600,316
- Various Village infrastructure projects at a total cost of \$743,879
- Partial completion of several system improvement and infrastructure projects that increased construction in progress by \$5,040,860

Additional information on the Village’s capital assets can be found on pages 43 - 44 of this report.

Long-term Debt. At the end of the current fiscal year, the Village had a total bonded debt outstanding of \$23,212,772. This entire amount is backed by the full faith and credit of the government.

VILLAGE OF RUIDOSO'S OUTSTANDING DEBT
(AMOUNTS IN THOUSANDS)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
General obligation bonds	\$ 2,280	\$ 0	\$ 0	\$ 0	\$ 2,280	\$ 0
Gross receipts tax revenue bonds	2,285	2,440	2,345	2,530	4,630	4,970
Revenue bonds	<u>0</u>	<u>0</u>	<u>13,265</u>	<u>13,575</u>	<u>13,265</u>	<u>13,575</u>
	4,565	2,440	15,610	16,105	20,175	18,545
Loans payable	<u>3,014</u>	<u>2,806</u>	<u>24</u>	<u>117</u>	<u>3,038</u>	<u>2,923</u>
	<u>\$ 7,579</u>	<u>\$ 5,246</u>	<u>\$ 15,634</u>	<u>\$ 16,222</u>	<u>\$ 23,213</u>	<u>\$ 21,468</u>

The Village's total debt increased \$1,745,669 (8.1%) during the current fiscal year. The Village issued two \$1,500,000 series of General Obligation (GO) Bonds for a total of \$3,000,000 in debt; in July 2015 and in June 2015. Proceeds are used to fund Water infrastructure projects. The revenue pledged is a 1.5 mill property tax that is renewable by the voters every two years. March 2016 is the next scheduled election to renew the levy.

During the current year, the Village received funding from the New Mexico Finance Authority (NMFA) for the repair of the Grindstone Lake dam liner. Funding was separated into two (2) projects: design \$553,000 and construction \$3,157,600. Each project had a 90% grant component and a 10% loan for a total of \$3,710,600 (grants \$3,339,540 and loans \$371,060). Both loans were paid in full on July 15, 2015 (fiscal year 2016).

NMFA also approved a construction loan for the replacement of water meters within the Village limits. The auto-read meter project closed on August 14, 2014; however, at the time of these financials, the Village had only drawn down \$30,000 (administrative fee) of the total \$3,030,000 loan. The project has a \$757,500 loan forgiveness component which decreases the loan payback amount to \$2,272,500. The project did not officially begin until August 2015 with an estimated completion date of February 2016.

Several of the Village's bond issues are rated by Moody's and Standard & Poor's. The Village maintains an A1 rating from Moody's on its Series 2012 SGRT Refunding Revenue Bonds, an AA- from Standard & Poor's and an A1 from Moody's on its Series 2013 GO Refunding Bonds, an A+ from Standard and Poor's and an A2 from Moody's its Series 2013 Wastewater System Refunding Revenue Bonds, and an Aaa from Moody's on its Series 2006 GRT Refunding and Improvement Revenue Bonds.

Additional information on the Village's long-term debt can be found on pages 44 – 51 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current economic factors affecting the Village which were considered in developing the 2015-2016 fiscal year budget are as follows:

- Estimated revenues were budgeted at fiscal year 2015 levels even though the Village will be completing many internal construction projects that will increase local option GRT revenues. Additional funds generated will be used to fund capital reserves.
- Personnel costs were increased due to rising health insurance costs and increases in incentive pay rates.
- Inflationary trends in the region compare favorably to national indices.
- Departmental operating and capital budgets remained at fiscal year 2015 levels, with a small increase for rising fuel prices.

During the current fiscal year, the unassigned fund balance in the general fund was \$2,975,870. The Village has appropriated \$1,421,491 of this amount for spending in the 2015-2016 fiscal year. This action rolled over several projects that were not completed during the 2015 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Village of Ruidoso, Finance Department, 313 Cree Meadows Drive, Ruidoso, NM 88345.

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF NET POSITION
JUNE 30, 2015

	PRIMARY GOVERNMENT		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 3,004,121	\$ 5,007,784	\$ 8,011,905
Investments	4,073,960	7,807,674	11,881,634
Restricted cash and investments	4,077,246	5,160,175	9,237,421
Receivables, net of allowance	1,636,034	1,551,421	3,187,455
Inventories	303,838	995,958	1,299,796
Prepaid expenses	26,349	8,437	34,786
Capital assets:			
Land	10,315,759	1,139,946	11,455,705
Construction in progress	174,009	5,025,621	5,199,630
Art	18,200	-	18,200
Infrastructure	39,112,120	25,418,241	64,530,361
Buildings and improvements	13,303,578	4,939,857	18,243,435
Machinery and equipment	3,184,955	1,348,339	4,533,294
Vehicles	5,806,889	5,516,664	11,323,553
Less: accumulated depreciation	<u>(32,298,811)</u>	<u>(8,951,747)</u>	<u>(41,250,558)</u>
Total Assets	<u>52,738,247</u>	<u>54,968,370</u>	<u>107,706,617</u>
DEFERRED OUTFLOWS OF RESOURCES			
Insurance on bond issue, net of amortization	22,420	-	22,420
Pension related	1,069,527	349,364	1,418,891
Total Deferred Outflows of Resources	<u>1,091,947</u>	<u>349,364</u>	<u>1,441,311</u>
LIABILITIES			
Accounts payable	645,230	1,472,143	2,117,373
Accrued liabilities	295,980	168,471	464,451
Deposits payable	4,950	224,418	229,368
Accrued interest	31,850	221,693	253,543
Noncurrent liabilities:			
Due within one year	1,790,645	972,800	2,763,445
Due in more than one year	6,618,085	15,149,060	21,767,145
Net pension obligation	<u>8,076,602</u>	<u>2,281,085</u>	<u>10,357,687</u>
Total Liabilities	<u>17,463,342</u>	<u>20,489,670</u>	<u>37,953,012</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,566,781	893,966	3,460,747
Unearned revenue	<u>216,821</u>	-	<u>216,821</u>
Total Deferred Inflows of Resources	<u>2,783,602</u>	<u>893,966</u>	<u>3,677,568</u>
NET POSITION			
Net investment in capital assets	32,037,678	18,803,170	50,840,848
Restricted	4,077,246	5,160,175	9,237,421
Unrestricted (deficits)	<u>(2,531,674)</u>	<u>9,970,753</u>	<u>7,439,079</u>
Total Net Position	<u>\$ 33,583,250</u>	<u>\$ 33,934,098</u>	<u>\$ 67,517,348</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE)/REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for Services	Operating		Governmental Activities	PRIMARY GOVERNMENT	
			Grants and Contributions	Capital Contributions		Business-type Activities	Total
Governmental activities:							
General government	\$ 5,401,042	\$ 1,265,295	\$ 433,818	\$ -	\$ (3,701,929)	\$ -	\$ (3,701,929)
Public safety	5,512,682	-	512,242	109,120	(4,891,320)	-	(4,891,320)
Public works	2,231,149	204,791	-	1,059,399	(966,959)	-	(966,959)
Culture and recreation	2,897,886	260,527	-	87,987	(2,549,372)	-	(2,549,372)
Health and welfare	140,915	-	37,477	-	(103,438)	-	(103,438)
Interest on long-term debt	279,718	-	-	-	(279,718)	-	(279,718)
Total Governmental Activities	<u>16,463,392</u>	<u>1,730,613</u>	<u>983,537</u>	<u>1,256,506</u>	<u>(12,492,736)</u>	<u>-</u>	<u>(12,492,736)</u>
Business-type activities:							
Water and sewer	5,303,514	5,714,674	-	3,339,540	-	3,750,700	3,750,700
Airport	1,986,944	1,217,682	134,742	49,193	-	(585,327)	(585,327)
Solid Waste	3,017,629	2,779,474	-	-	-	(238,155)	(238,155)
Wastewater	2,864,771	4,109,529	-	-	-	1,244,758	1,244,758
Total Business-type Activities	<u>13,172,858</u>	<u>13,821,359</u>	<u>134,742</u>	<u>3,388,733</u>	<u>-</u>	<u>4,171,976</u>	<u>4,171,976</u>
Total Primary Government	<u>\$ 29,636,250</u>	<u>\$ 15,551,972</u>	<u>\$ 1,118,279</u>	<u>\$ 4,645,239</u>	<u>(12,492,736)</u>	<u>4,171,976</u>	<u>(8,320,760)</u>
GENERAL REVENUES:							
Property taxes, levied for general purposes					3,080,385	-	3,080,385
Franchise taxes					730,705	-	730,705
Gross receipts taxes					3,804,235	3,847,829	7,652,064
Public service taxes					1,510,740	-	1,510,740
Grants and contributions not restricted to specific program					3,279,383	-	3,279,383
Investment earnings					11,096	95,372	106,468
Miscellaneous income					953,015	-	953,015
Gain (loss) on disposal of assets					8,725	-	8,725
Net transfers					941,823	(941,823)	-
Total General Revenues and Transfers					<u>14,320,107</u>	<u>3,001,378</u>	<u>17,321,485</u>
Change in Net Position					<u>1,827,371</u>	<u>7,173,354</u>	<u>9,000,725</u>
Net Position, Beginning of Year					41,542,852	29,735,805	71,278,657
Prior Period Adjustment					(9,786,973)	(2,975,061)	(12,762,034)
Net Position, Beginning of Year RESTATED					<u>31,755,879</u>	<u>26,760,744</u>	<u>58,516,623</u>
Net Position, End of Year					<u>\$ 33,583,250</u>	<u>\$ 33,934,098</u>	<u>\$ 67,517,348</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>General</u>	<u>DEBT SERVICE FUND GO Bonds</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,499,592	\$ 14,349	\$ 1,307,115	\$ 2,821,056
Investments	4,073,960	-	-	4,073,960
Restricted cash	4,950	-	4,072,296	4,077,246
Receivables, net of allowance	1,480,326	-	155,708	1,636,034
Due from other funds	35,000	-	-	35,000
Inventories	21,162	-	282,676	303,838
Prepaid items	26,349	-	-	26,349
Total Assets	<u>\$ 7,141,339</u>	<u>\$ 14,349</u>	<u>\$ 5,817,795</u>	<u>\$ 12,973,483</u>
LIABILITIES				
Accounts payable	\$ 384,206	\$ -	\$ 209,491	\$ 593,697
Accrued liabilities	268,399	-	27,581	295,980
Deposits payable	4,950	-	-	4,950
Due to other funds	-	35,000	-	35,000
Total Liabilities	<u>657,555</u>	<u>35,000</u>	<u>237,072</u>	<u>929,627</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	<u>134,946</u>	<u>34,013</u>	<u>216,821</u>	<u>385,780</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventory	21,162	-	282,676	303,838
Prepaid items	26,349	-	-	26,349
Restricted:				
Public safety	-	-	52,587	52,587
Capital projects	-	-	178,730	178,730
Debt service	-	-	804,925	804,925
Other purposes	1,822,166	-	596,687	2,418,853
Assigned:				
Purchases on order	81,800	-	633,577	715,377
Subsequent year's budget; appropriation of fund balance	1,421,491	-	2,814,720	4,236,211
Unassigned (deficits)	<u>2,975,870</u>	<u>(54,664)</u>	<u>-</u>	<u>2,921,206</u>
Total Fund Balances (Deficits)	<u>6,348,838</u>	<u>(54,664)</u>	<u>5,363,902</u>	<u>11,658,076</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 7,141,339</u>	<u>\$ 14,349</u>	<u>\$ 5,817,795</u>	<u>\$ 12,973,483</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances (Deficits) - Governmental Funds	\$ 11,658,076
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund statements.	39,423,269
Long-term liabilities, including bonds payable and net pension obligation, are not due and payable in the current period and, therefore, are not reported in the fund statements.	(16,494,762)
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	324,962
Defined benefit pension plan deferred outflows and inflows are not available resources and, therefore, are not reported in the fund statements.	(1,497,254)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	<u>168,959</u>
Net Position of Governmental Activities	<u><u>\$ 33,583,250</u></u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>DEBT SERVICE FUND GO Bonds</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Property	\$ 2,451,743	\$ 706,724	\$ -	\$ 3,158,467
Gross receipts	3,804,235	-	-	3,804,235
Other	730,705	-	1,510,740	2,241,445
Intergovernmental:				
Federal grants	97,107	-	654,282	751,389
State grants	3,495,117	-	1,172,920	4,668,037
Licenses and permits	263,968	-	-	263,968
Charges for services	260,527	-	204,791	465,318
Fines and forfeitures	74,532	-	41,103	115,635
Investment earnings	5,881	-	5,215	11,096
Miscellaneous	465,428	-	482,350	947,778
Total Revenues	<u>11,649,243</u>	<u>706,724</u>	<u>4,071,401</u>	<u>16,427,368</u>
EXPENDITURES				
Current:				
General government	3,178,035	34,013	-	3,212,048
Public safety	4,828,899	-	326,650	5,155,549
Public works	-	-	1,926,539	1,926,539
Culture and recreation	1,743,910	-	1,046,400	2,790,310
Health and welfare	79,949	-	50,581	130,530
Debt service:				
Principal	-	720,000	536,236	1,256,236
Interest	-	21,373	248,244	269,617
Bond issuance costs	-	102,502	-	102,502
Capital outlay	823,359	-	827,302	1,650,661
Total Expenditures	<u>10,654,152</u>	<u>877,888</u>	<u>4,961,952</u>	<u>16,493,992</u>
Excess (Deficiency) of Revenues over Expenditures	<u>995,091</u>	<u>(171,164)</u>	<u>(890,551)</u>	<u>(66,624)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,985,769	-	4,965,634	6,951,403
Transfers out	(2,050,183)	(2,883,500)	(1,239,932)	(6,173,615)
Proceeds from debt issuance	-	3,000,000	401,060	3,401,060
Net Other Financing Sources (Uses)	<u>(64,414)</u>	<u>116,500</u>	<u>4,126,762</u>	<u>4,178,848</u>
Net Change in Fund Balances	930,677	(54,664)	3,236,211	4,112,224
Fund Balances, Beginning of Year	<u>5,418,161</u>	<u>-</u>	<u>2,127,691</u>	<u>7,545,852</u>
Fund Balances (Deficits), End of Year	<u>\$ 6,348,838</u>	<u>\$ (54,664)</u>	<u>\$ 5,363,902</u>	<u>\$ 11,658,076</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement of net position is different because:

Net Change in Fund Balances - Governmental Funds	\$ 4,112,224
Governmental funds report capital outlay 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. This is the amount by which capital outlays exceeded depreciation in the current period.	(465,952)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of insurance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,146,863)
The internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue is reported with governmental activities in the statement	324,962
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>3,000</u>
Change in Net Position Governmental Activities	<u>\$ 1,827,371</u>

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$ 2,484,481	\$ 2,484,481	\$ 2,451,743	\$ (32,738)
Gross receipts	3,840,000	3,840,000	3,804,235	(35,765)
Other	360,000	625,520	730,705	105,185
Intergovernmental:				-
Federal grants	556,419	590,169	97,107	(493,062)
State grants	3,535,599	3,693,559	3,383,022	(310,537)
Licenses and permits	445,000	445,000	263,968	(181,032)
Charges for services	209,030	207,230	99,757	(107,473)
Fines and forfeitures	114,000	114,000	74,532	(39,468)
Investment earnings	4,500	4,500	5,881	1,381
Miscellaneous	967,530	372,693	465,428	92,735
Total Revenues	12,516,559	12,377,152	11,376,378	(1,000,774)
EXPENDITURES				
Current:				
General government	3,549,479	3,611,397	2,994,397	617,000
Public safety	5,268,449	5,370,046	4,828,899	541,147
Public works	-	-	-	-
Culture and recreation	1,858,918	1,944,619	1,743,910	200,709
Health and welfare	81,963	85,733	79,949	5,784
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	1,013,419	1,645,830	823,359	822,471
Total Expenditures	11,772,228	12,657,625	10,470,514	2,187,111
Excess (Deficiency) of Revenues over Expenditures	744,331	(280,473)	905,864	1,186,337
OTHER FINANCING SOURCES (USES)				
Designated cash	822,016	698,009	-	(698,009)
Transfers in	1,184,830	5,291,185	1,985,769	(3,305,416)
Transfers out	(2,751,177)	(5,708,721)	(2,165,785)	3,542,936
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(744,331)	280,473	(180,016)	(460,489)
Net Change in Cash Balances	\$ -	\$ -	725,848	\$ 725,848
Cash Balances, Beginning of Year			4,852,654	
Cash Balances, End of Year			\$ 5,578,502	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 725,848	
Adjustments to revenues			272,865	
Adjustments to expenditures			(68,036)	
Net Change in Fund Balances (GAAP Basis)			\$ 930,677	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES
	Utility	Airport	Solid Waste	RWWTP	Total	Internal Service
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 250,724	\$ 468,135	\$ 916,827	\$ 3,372,098	\$ 5,007,784	\$ 183,065
Investments	3,284,327	-	250,199	4,273,148	7,807,674	-
Restricted cash and investments	5,160,175	-	-	-	5,160,175	-
Receivables, net of allowance	790,689	12,623	346,087	402,022	1,551,421	-
Due from other funds	-	-	-	-	-	-
Inventories	753,078	68,244	47,736	126,900	995,958	-
Prepaid expenses	8,437	-	-	-	8,437	-
Total Current Assets	<u>10,247,430</u>	<u>549,002</u>	<u>1,560,849</u>	<u>8,174,168</u>	<u>20,531,449</u>	<u>183,065</u>
Noncurrent Assets						
Capital assets:						
Land	-	1,100,000	-	39,946	1,139,946	-
Construction in progress	4,919,812	-	-	105,809	5,025,621	-
Infrastructure	3,446,227	-	-	21,972,014	25,418,241	-
Buildings and improvements	369,725	3,370,132	1,200,000	-	4,939,857	-
Machinery and equipment	271,077	459,737	263,083	354,442	1,348,339	193,430
Vehicles	1,237,744	1,068,109	3,082,097	128,714	5,516,664	-
Less: accumulated depreciation	<u>(1,530,532)</u>	<u>(2,685,556)</u>	<u>(2,777,910)</u>	<u>(1,957,749)</u>	<u>(8,951,747)</u>	<u>-</u>
Total Noncurrent Assets	<u>8,714,053</u>	<u>3,312,422</u>	<u>1,767,270</u>	<u>20,643,176</u>	<u>34,436,921</u>	<u>193,430</u>
Total Assets	<u>18,961,483</u>	<u>3,861,424</u>	<u>3,328,119</u>	<u>28,817,344</u>	<u>54,968,370</u>	<u>376,495</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	<u>166,332</u>	<u>-</u>	<u>122,916</u>	<u>60,116</u>	<u>349,364</u>	<u>-</u>
LIABILITIES						
Current Liabilities						
Accounts payable	1,081,021	100,785	157,083	133,254	1,472,143	51,533
Accrued liabilities	75,416	20,620	47,312	25,123	168,471	-
Deposits payable	224,418	-	-	-	224,418	-
Due to other funds	-	-	-	-	-	-
Accrued interest	5,747	-	37	215,909	221,693	-
Bonds and loans payable	190,000	-	23,751	720,000	933,751	-
Compensated absences	14,822	2,420	13,002	8,805	39,049	-
Unearned revenue	-	-	-	-	-	-
Total Current Liabilities	<u>1,591,424</u>	<u>123,825</u>	<u>241,185</u>	<u>1,103,091</u>	<u>3,059,525</u>	<u>51,533</u>
Noncurrent Liabilities						
Compensated absences	170,459	27,829	149,519	101,253	449,060	-
Bonds and notes payable	2,155,000	-	-	12,545,000	14,700,000	-
Net pension obligation	1,086,022	-	802,550	392,513	2,281,085	-
Total Noncurrent Liabilities	<u>3,411,481</u>	<u>27,829</u>	<u>952,069</u>	<u>13,038,766</u>	<u>17,430,145</u>	<u>-</u>
Total Liabilities	<u>5,002,905</u>	<u>151,654</u>	<u>1,193,254</u>	<u>14,141,857</u>	<u>20,489,670</u>	<u>51,533</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES
	<u>Utility</u>	<u>Airport</u>	<u>Solid Waste</u>	<u>RWWTP</u>	<u>Total</u>	<u>Internal Service</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related	425,616	-	314,523	153,827	893,966	-
NET POSITION						
Net investment in capital assets	6,369,053	3,312,422	1,743,519	7,378,176	18,803,170	193,430
Restricted	5,160,175	-	-	-	5,160,175	-
Unrestricted	2,170,066	397,348	199,739	7,203,600	9,970,753	131,532
Total Net Position	<u>\$13,699,294</u>	<u>\$ 3,709,770</u>	<u>\$ 1,943,258</u>	<u>\$14,581,776</u>	<u>\$33,934,098</u>	<u>\$ 324,962</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES
	Utility	Airport	Solid Waste	RWWTWP	Total	Internal Service
OPERATING REVENUES						
Charges for services	\$ 5,683,427	\$ 1,008,325	\$ 2,776,775	\$ 3,717,445	\$ 13,185,972	\$ 885,692
Intergovernmental - State grant	-	134,742	-	-	134,742	-
Miscellaneous	31,247	209,357	2,699	392,084	635,387	5,237
Total Revenues	<u>5,714,674</u>	<u>1,352,424</u>	<u>2,779,474</u>	<u>4,109,529</u>	<u>13,956,101</u>	<u>890,929</u>
OPERATING EXPENSES						
Current:						
Personnel services	1,800,101	510,535	1,233,635	683,664	4,227,935	-
Materials and supplies	144,284	769,297	213,723	290,313	1,417,617	39,956
Repairs and maintenance	543,043	120,493	427,876	191,614	1,283,026	10,145
Utilities	511,583	66,942	65,156	530,320	1,174,001	-
Contractual services	2,046,082	331,944	733,228	381,693	3,492,947	779,901
Depreciation expense	185,183	187,733	341,348	596,197	1,310,461	-
Total Expenditures	<u>5,230,276</u>	<u>1,986,944</u>	<u>3,014,966</u>	<u>2,673,801</u>	<u>12,905,987</u>	<u>830,002</u>
Operating Income/(loss)	<u>484,398</u>	<u>(634,520)</u>	<u>(235,492)</u>	<u>1,435,728</u>	<u>1,050,114</u>	<u>60,927</u>
NONOPERATING REVENUES (EXPENSES)						
Gross receipts taxes	2,510,680	-	244,635	1,092,514	3,847,829	-
Intergovernmental:						
Federal grants	-	46,604	-	-	46,604	-
State grants	3,339,540	2,589	-	-	3,342,129	100,000
Investment earnings	60,227	261	988	33,896	95,372	-
Premium on the issuance of debt	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-
Debt service:						
Interest	(73,238)	-	(2,663)	(190,970)	(266,871)	-
Bond issuance costs	-	-	-	-	-	-
Net Nonoperating Revenues	<u>5,837,209</u>	<u>49,454</u>	<u>242,960</u>	<u>935,440</u>	<u>7,065,063</u>	<u>100,000</u>
Income Before Transfers	<u>6,321,607</u>	<u>(585,066)</u>	<u>7,468</u>	<u>2,371,168</u>	<u>8,115,177</u>	<u>160,927</u>
NET TRANSFERS						
Transfers in	865,018	207,024	270,184	-	1,342,226	164,035
Transfers out	(1,606,166)	-	(147,941)	(529,942)	(2,284,049)	-
Net Transfers	<u>(741,148)</u>	<u>207,024</u>	<u>122,243</u>	<u>(529,942)</u>	<u>(941,823)</u>	<u>164,035</u>
Net Change in Net Position	<u>5,580,459</u>	<u>(378,042)</u>	<u>129,711</u>	<u>1,841,226</u>	<u>7,173,354</u>	<u>324,962</u>
Net Position, Beginning of Year	9,535,258	4,087,812	2,860,258	13,252,477	29,735,805	-
Prior Period Adjustment	(1,416,423)	-	(1,046,711)	(511,927)	(2,975,061)	-
Net Position, Beginning of Year RESTATED	<u>8,118,835</u>	<u>4,087,812</u>	<u>1,813,547</u>	<u>12,740,550</u>	<u>26,760,744</u>	<u>-</u>
Net Position, End of Year	<u>\$ 13,699,294</u>	<u>\$ 3,709,770</u>	<u>\$ 1,943,258</u>	<u>\$14,581,776</u>	<u>\$ 33,934,098</u>	<u>\$ 324,962</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES
	Utility	Airport	Solid Waste	RWWTP	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 5,253,006	\$ 1,263,894	\$ 2,624,028	\$ 4,105,397	\$ 13,246,325	\$ 890,929
Cash received from operational grants	-	134,742	-	-	134,742	-
Cash received from other funds for services	60,000	-	-	-	60,000	-
Cash paid to suppliers for goods and services	(2,547,550)	(1,183,555)	(1,336,338)	(1,270,943)	(6,338,386)	(778,469)
Cash paid on behalf of employees for retirement	(71,117)	-	(52,554)	(25,703)	(149,374)	-
Cash paid to employees for salaries and benefits	(1,774,434)	(500,481)	(1,193,528)	(669,282)	(4,137,725)	-
Net Cash Provided by (Used for) Operating Activities	<u>919,905</u>	<u>(285,400)</u>	<u>41,608</u>	<u>2,139,469</u>	<u>2,815,582</u>	<u>112,460</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received from taxes	2,510,680	-	244,635	1,092,514	3,847,829	-
Operating subsidies from (to) other funds	(741,148)	207,024	122,243	(529,942)	(941,823)	164,035
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,769,532</u>	<u>207,024</u>	<u>366,878</u>	<u>562,572</u>	<u>2,906,006</u>	<u>164,035</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(5,634,047)	153,899	-	-	(5,480,148)	(193,430)
Proceeds from the issuance of debt	-	-	-	8,543,759	8,543,759	-
Capital grants	3,339,540	49,193	-	-	3,388,733	100,000
Principal paid on capital debt	(185,000)	-	(92,791)	(8,853,759)	(9,131,550)	-
Interest paid on capital debt	(73,626)	-	(2,810)	(436,992)	(513,428)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,553,133)</u>	<u>203,092</u>	<u>(95,601)</u>	<u>(746,992)</u>	<u>(3,192,634)</u>	<u>(93,430)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	60,227	261	988	33,896	95,372	-
Net Increase (Decrease) in Cash and Cash Equivalents	196,531	124,977	313,873	1,988,945	2,624,326	183,065
Cash and Cash Equivalents, Beginning of Year	8,498,695	343,158	853,153	5,656,301	15,351,307	-
Cash and Cash Equivalents, End of Year	<u>\$ 8,695,226</u>	<u>\$ 468,135</u>	<u>\$ 1,167,026</u>	<u>\$ 7,645,246</u>	<u>\$ 17,975,633</u>	<u>\$ 183,065</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operation income (loss)	\$ 484,398	\$ (634,520)	\$ (235,492)	\$ 1,435,728	\$ 1,050,114	\$ 60,927
Adjustments to reconcile net operating income to net cash provided by operating activities:						
Depreciation	185,183	187,733	341,348	596,197	1,310,461	-
(Increase) decrease in accounts receivable	(243,269)	46,295	(235,476)	(8,408)	(440,858)	-
Increase (decrease) in allowance for doubtful	39,514	(83)	80,030	4,276	123,737	-
(Increase) decrease in due from other funds	60,000	-	-	-	60,000	-
(Increase) decrease in inventories	(190,369)	33,921	32,037	66,929	(57,482)	-
(Increase) decrease in prepaid items	(7,034)	-	-	-	(7,034)	-
(Increase) decrease in deferred outflows	(13,021)	-	(9,622)	(4,706)	(27,349)	-
Increase (decrease) in accounts payable	894,845	71,200	71,608	56,068	1,093,721	51,533
Increase (decrease) in accrued wages and taxes	14,404	4,091	10,419	3,152	32,066	-
Increase (decrease) in meter deposits	(257,913)	-	-	-	(257,913)	-
Increase (decrease) in compensated absences	11,263	5,963	29,688	11,230	58,144	-
Increase (decrease) in deferred inflows	425,616	-	314,523	153,827	893,966	-
Increase (decrease) in net pension liability	(483,712)	-	(357,455)	(174,824)	(1,015,991)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 919,905</u>	<u>\$ (285,400)</u>	<u>\$ 41,608</u>	<u>\$ 2,139,469</u>	<u>\$ 2,815,582</u>	<u>\$ 112,460</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30,2015

	Special Gifts	Bail Bonds	Total
ASSETS			
Cash and cash equivalents	\$ 85,319	\$ 2,484	\$ 87,803
Total Assets	\$ 85,319	\$ 2,484	\$ 87,803
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Special projects payable	85,319	2,484	87,803
Total Liabilities	\$ 85,319	\$ 2,484	\$ 87,803

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A. Government-wide and Fund Financial Statements

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

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

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

B. Reporting Entity

The Village of Ruidoso (the Village) is a municipal corporation formed during 1945, under the provisions of Chapter 3, Article 2, NMSA 1978. It is governed by an elected mayor and six-member governing council and provides the following services as provided by law: public safety (police and fire), highways and streets, welfare services, culture and recreation, public works, planning and zoning, and general administrative services.

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

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

B. Reporting Entity (Continued)

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Village of Ruidoso and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village has no component units during the fiscal year ended June 30, 2015.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model: Assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

Deferred outflows of resources are consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

Deferred inflows of resources are acquisitions of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Net position is the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is reported in three parts – net investment in capital assets, restricted, and unrestricted.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues, expenses, gains, losses, assets and liabilities, and deferred inflows and outflows of resources, resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities, and deferred inflows and outflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations.

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 this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Village reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

The *General Obligation (GO) Bond Debt Service Fund* accounts for bond proceeds received in connection with debt issued and pledged by a voter passed 1.5 mill property tax levy that is used for water distribution capital improvements, mainly the replacement of outdated water lines.

Proprietary funds use the *flow of economic resources measurement focus* for accounting purposes. The accounting objectives are a determination of net income, financial position, and changes in cash flow. The Proprietary Funds are accounted for using the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable FASB (Financial Accounting Standards Board) pronouncements issued after November 30, 1989, to government-wide financial statements (business-type activities) and to proprietary funds in the fund financial statements. The Village reports the following major proprietary funds:

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The *Ruidoso Joint Utility (RJU) Enterprise Fund* accounts for water and sewer system services provided to residents of the Village, including administration, operations, maintenance, debt service, and billing and collection.

The *Airport Enterprise Fund* accounts for the air service activities of the Sierra Blanca Regional Airport, including administration, operations, maintenance, debt service, and billing and collection.

The *Solid Waste Enterprise Fund* accounts for refuse collection and disposal services, including yard waste, provided to Village residents including administration, operations, maintenance, debt service, and billing and collection.

The *Regional Wastewater Treatment Plant (RWWTP) Enterprise Fund* was established on July 3, 1974 from a joint powers agreement (JPA) between the Village of Ruidoso and the City of Ruidoso Downs. The JPA created a Joint Use Board for the implementation of planning and construction of the regional control of wastewater treatment facilities. This fund accounts for the wastewater services provided to residents of the Village of Ruidoso, the City of Ruidoso Downs, and the surrounding area, including administration, operations, maintenance, debt service, and billing and collection.

Additionally, the Village reports the following fund type:

The *Internal Service Fund* is used to account for the operation of the Risk Management Fund which services the Village's departments on a cost-reimbursement basis for insurance.

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

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the charges between the Village's water, sewer, solid waste, wastewater, and insurance functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customer or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Proprietary funds distinguish *operating revenues and expenses from non-operating items*. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges for sales services, although subsidies may be used for operating or capital to some degree. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non- operating revenues and expenses.

D. Budgetary Information

1. Budgetary Basis of Accounting

Annual budgets are prepared and adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds, debt services funds, and enterprise funds. Capital project funds adopt project-length budgets. Agency funds are not budgeted. The Village's budgets are prepared on a cash basis of accounting.

The appropriated budget is prepared by fund, department, and functional category (i.e., personnel, operations, and capital outlay). Any increases and decreases to the overall must be approved by Village Council and the State of New Mexico Department of Finance and Administration (DFA). The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Prior to June 1st, budgets are prepared, balanced, and approved by resolution by Village Council and submitted to DFA for oversight approval. Once the budget has been formally approved, amendments must be approved by Village Council and DFA.

All annual appropriations lapse at fiscal year-end even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Valid outstanding encumbrances (performance under the executory contract is expected in the next year) are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

2. Excess of Expenditures over Appropriations

For the year ended June 30, 2015, expenditures did not exceed appropriations in any of the Village's individual funds.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

*Cash and Cash Equivalent*s

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.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Investments

Investments for the Village are reported at fair value (generally based on quoted market prices). Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Restricted Assets

The Village accepts deposits on utility accounts which after one (1) year if the customer is in good standing, these funds are refunded back to the individual's utility account. In addition, funds received from granting authorities that are required to be legally separate are also identified as restricted assets.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between government activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade receivables are shown net of an allowance for doubtful accounts. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for doubtful accounts.

Property taxes are levied on November 1st on property tax values assessed as of January 1st. Property taxes collected by Lincoln County (the County) are due in two equal installments on November 10th and April 10th. Property taxes uncollected after these dates are considered delinquent and the County may assess penalties and interest. An enforceable lien attaches once the taxes are delinquent thirty (30) days after delinquency.

The Village is permitted to levy taxes for general operating purposes based on taxable value for residential and nonresidential property, taxable value being defined as one-third of full assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in an amount approved by the Village. The Village's total tax rate to finance general government services for the year ended June 30, 2015 was \$5.165 per \$1,000 for residential property and \$4.341 for non-residential property. In addition there was a \$1.50 per \$1,000 debt service levy for both residential and non-residential property.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and materials. The consumption accounting method is used to record the Village's inventories. An asset is recorded when the supplies are purchased and the recognition of the expenditure is deferred to the period in which the inventories are actually consumed.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets

Capital assets, which include property, plant, equipment (including software), and infrastructure (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at cost or if contributed at their fair market value at contribution. Assets capitalized have an original cost of \$5,000 or more (Section 12-6-10 NMSA 1978) and have an estimated useful life greater than one year. Capital assets, if purchased or constructed, are recorded at historical cost or estimated historical cost if original cost was not available.

Since the Village is a Phase III government for purposes of implementing GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, it is not required to retroactively report its major general infrastructure assets. However, it must report all infrastructure assets purchased or built after July 1, 2003.

Repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction related interest is capitalized only in the proprietary funds. Information Technology equipment, including software, is capitalized and included in machinery and equipment. Library books are expensed when purchased because their estimated useful life is less than one year.

Depreciation has been calculated on each class of depreciable property using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Infrastructure	40
Buildings and improvements	30
Machinery and equipment	5
Vehicles	5
Heavy equipment and vehicles	10

Accrued Liabilities

Accrued liabilities are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2015, along with applicable taxes and employee benefits.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has two (2) items that qualifies for reporting in this category. It is the deferred cost of prepaid insurance associated with a debt issuance, which is amortized over the life of the bonds, using the straight-line method. The last item concerns the advancement of FEMA grant funds that were not fully earned as of year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to further period(s) and so will *not* be recognized as an inflow of resources (revenues) until that time. The government has only one type of item, which arises only under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Village employees are entitled to certain compensated absences based on their employment classification and length of employment. Earned vacation, up to the amount the employee accrued each year is allowed to be carried over from one calendar year to the next. Upon termination, employees shall receive payment for unused, accrued vacation. With minor exceptions, the Village allows 40 hour week employees to accumulate vacation leave to a maximum of 240 hours for regular employees and 318 hours for fire department employees. Vacation benefit vesting is on a bi-weekly basis as follows:

<u>Service Period</u>	<u>Regular Employees</u>	<u>Fire Employees</u>
1 to 12 months	3.39 hours	4.50 hours
13 to 24 months	3.70 hours	4.91 hours
25 to 36 months	4.00 hours	5.30 hours
37 to 48 months	4.31 hours	5.72 hours
49 to 168 months	4.62 hours	6.13 hours
169 months & over	6.16 hours	8.16 hours

STATE OF NEW MEXICO
 VILLAGE OF RUIDOSO
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Compensated Absences (Continued)

Employees are entitled to receive payment of accrued, vested sick leave upon termination. The Village has adopted the following vesting schedule as follows:

<u>Service Period</u>	<u>Vesting %</u>	<u>Maximu Hours</u>
1 to 5 years	0%	0 hours
6 to 10 years	25%	130 hours
11 to 15 years	50%	260 hours
16 to 20 years	75%	390 hours
Over 21 years	100%	520 hours

For governmental funds, expenditures are recognized during the period in which the amount is payable from current available resources. All vested compensated absences including all related employer payroll taxes are accrued in the government-wide and proprietary fund financial statements.

Long-term Obligations

In the government-wide fund financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, with the exception of pre-paid insurance, are expensed in the year of issuance.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets which is the net amount of the cost of capital assets net of accumulated depreciation reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted which consists of equity with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted is the balance of all other equity that does not meet the definition of "restricted" or "net investment in capital assets."

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

By state statute, the Village must maintain a minimum fund balance in the General Fund equal to 8.33% or 1/12th of budgeted expenditures. However, Village Council has, by ordinance, made it policy to reserve an additional 8.33% due to the number of recent natural disasters experienced within the last few years. This amount totals \$1,822,166 at June 30, 2015.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

F. Estimates

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

G. 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.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide State of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of the \$16,494,762 difference are as follows:

Bonds payable	\$ (4,565,000)
Loans payable	(3,014,021)
Net pension obligation	(8,076,602)
Accrued interest (amortized as interest expense)	(31,850)
Compensated absences	(829,709)
Less: deferred charge for insurance (amortized over life of debt)	22,420
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$(16,494,762)</u>

Another element of that reconciliation states that “Defined benefit pension plan related deferred outflows and inflows are not available resources and, therefore, are not reported in the fund statements”. The details of this \$1,497,254:

Deferred inflows – pension related	
Investment earnings	\$(2,390,046)
Change in assumptions	(176,735)
Deferred outflows – pension related	
FY 2015 employee contributions	969,518
Change in assumptions	100,009
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$(1,497,254)</u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Net Position Balances and the Government-wide Statement of Activities

The governmental statement of revenues, expenditures, and changes in net position includes reconciliation between net changes in net position – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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”. The details of this \$465,952 difference are as follows:

Capital outlay	\$ 1,650,661
Depreciation expense	(2,116,613)
Net adjustment to reduce net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	<u>\$ (465,952)</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs (insurance) when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$2,146,863 difference are as follows:

Bond proceeds	\$(3,000,000)
Loan proceeds	(401,060)
Amortization expense	(2,039)
Less: principal repayments:	
Revenue bond debt	155,000
General obligation debt	720,000
Loans payable	<u>381,236</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	<u>\$(2,146,863)</u>

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$3,000 difference are as follows:

Delinquent property taxes	\$ (78,082)
Compensated absences	(130,659)
Accrued interest	(10,101)
Pension expense	(756,401)
Less: FY 2015 employee contributions	969,518
Less: gain on sale of assets	<u>8,725</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	<u>\$ 3,000</u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note 1.B.2, on the *Excess of Expenditures over Appropriation*, describes that there were no violations of state statute concerning the budgetary level of control.

B. Deficit Fund Equity

At June 30, 2015, the GO Bond Debt Service Fund has a deficit fund balance of \$54,664. The reason for the deficit is the timing of the debt service payment and the distribution of property taxes collected by Lincoln County to the Village. The deficit was caused by a \$35,000 interfund loan by the General Fund and the recognition of unearned property tax revenues of \$34,013.

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Below is a summary of the Village's cash, cash equivalents, and investments as of June 30, 2015.

	Fair Market Value (FMV)	Bank Balance	Maturities
DEPOSITORY ACCOUNTS			
Checking	\$ 4,602,697	\$ 4,725,153	Full Liquidity
Savings	7,350,641	7,350,641	Full Liquidity
Cash with fiscal agent	<u>1,068,938</u>	<u>1,068,938</u>	
	<u>13,022,276</u>	<u>13,144,732</u>	
INVESTMENTS			
Money market	146,411	146,411	Full Liquidity
Certificates of deposit	11,498,986	11,498,986	Five Years or Less
State investment pool	70,449	70,449	
Treasury notes	<u>4,479,241</u>	<u>4,479,241</u>	Five Years or Less
	<u>16,195,087</u>	<u>16,195,087</u>	
SUBTOTAL	29,217,363	29,339,819	
CASH ON HAND	<u>1,400</u>	<u>0</u>	
TOTAL	<u>\$ 29,218,763</u>	<u>\$ 29,339,819</u>	

State statutes (2.60.2 NMSA 1978) authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested fund of the Village properly followed State investment requirements as of June 30, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks 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 or are collateralized as required by statute (2.60.4 NMAC).

The collateral pledged is listed in the New Mexico State Auditor Disclosures section of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions (Continued)

Details of pledged collateral specific to the Village's deposit with NMFA (cash with fiscal agent) are unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's office Collateral Bureau monitors pledged collateral for all state funds held by state agencies in such "authorized" bank accounts.

State statutes allow for money markets. They do not have to be collateralized because they are fixed income securities or debt instruments inside the fund. A money market fund is made up of many different fixed income assets with short-term maturities.

The New Mexico Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not registered with the Securities Exchange Commission (SEC). The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per section 6-10-10(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. Collateral pledged to secure the State Treasurer's cash and investment can be review in the agency's complete financial statements. A copy can be obtained from the New Mexico State Treasurer, P.O. Box 608, Santa Fe, New Mexico 87504.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, none of the Village's bank balances of \$25,752,493 were exposed to custodial credit risk. All deposits were insured and collateralized by securities held by the pledging bank's trust department, not in the Village's name.

Interest Rate Risk - Deposits

The Village does not have formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. At June 30, 2015, the Village's investment of New MexiGROW LGIP had a value of \$70,449, a 54.6 day WAM (R), and a 77.7 WAM (F).

Credit Risk - Deposits

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two rationings issued by nationally recognized statically rating organizations. The Village has no investment policy that would further limit its investment choices. As of June 30, 2015, the Village's investment in the LGIP was AAAM by Standard & Poor's.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

A. Cash Deposits with Financial Institutions (Continued)

The statement of net position reports brokerage accounts and certificates of deposit with original maturities in excess of three months as investments for financial statement reporting purposes. For note disclosure purposes these are classified as deposits.

B. Restricted Assets

The following is a summary of the Village's restricted assets as of year-end:

GOVERNMENTAL ACTIVITIES	
Restricted bond proceeds	\$ 2,655,419
Restricted grant funds	970,243
Cash with fiscal agent	446,634
Deposits	<u>4,950</u>
	<u>4,077,246</u>
BUSINESS-TYPE ACTIVITIES	
Restricted GRT revenues	4,313,453
Cash with fiscal agent	622,304
Deposits	<u>224,418</u>
	<u>5,160,175</u>
Total Restricted Cash and Investments	<u>\$ 9,237,421</u>

C. Receivables

Amounts are aggregated into a single account receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the General Fund and the non-major governmental funds in the aggregate, including the applicable allowance for doubtful accounts.

	General	Non-major Governmental	Total
RECEIVABLES			
Accounts	\$ 17,380	\$ 1,085	\$ 18,465
Taxes	1,541,335	179,520	1,720,855
Intergovernmental	<u>56,556</u>	<u>1,575,439</u>	<u>1,631,995</u>
	1,615,271	1,756,044	3,371,315
Allowance for doubtful accounts	<u>(134,945)</u>	<u>(1,600,336)</u>	<u>(1,735,281)</u>
NET RECEIVABLES	<u>\$ 1,480,326</u>	<u>\$ 155,708</u>	<u>\$ 1,636,034</u>

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, property tax revenues in the amount of \$168,959 that were not collected within the period of availability have been reclassified as deferred revenues in the governmental fund financial statements as of June 30, 2015. In addition, FEMA grant funds advanced during the year in the amount of \$216,821 that were not expensed within the period of availability have been reclassified as unearned revenues in the governmental fund financial statements as of June 30, 2015.

**STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

C. Receivables (Continued)

Below is the detail of receivables for the Business-type activities in the aggregate, including the applicable allowance for doubtful accounts.

	RJU	Airport	Solid Waste	RWWTP	Total
RECEIVABLES					
Accounts	\$ 416,192	\$ 12,623	\$ 523,256	\$ 444,524	\$ 1,396,595
Taxes	<u>459,325</u>	<u>0</u>	<u>123,524</u>	<u>123,525</u>	<u>706,374</u>
	875,517	12,623	646,780	568,049	2,102,969
Allowance for doubtful accounts	<u>(84,828)</u>	<u>0</u>	<u>(300,693)</u>	<u>(166,027)</u>	<u>(551,548)</u>
NET RECEIVABLES	<u>\$ 790,689</u>	<u>\$ 12,623</u>	<u>\$ 346,087</u>	<u>\$ 402,022</u>	<u>\$ 1,551,421</u>

D. Internal Balances

During the course of operations, numerous transactions occur between individual funds for loans. These loans are reported as "due from other funds" or "due to other funds" on the balance sheet. Receivables and payables from inter-fund transactions are usually the result of cash overdrafts. Below are inter-fund balances as of June 30, 2015.

GOVERNMENTAL ACTIVITIES

Due to the General Fund from
Major Debt Service Fund \$ 35,000

Net operating transfers for the year ended June 30, 2015 are as follows:

MAJOR FUNDS	Transfers IN	Transfers OUT	Purpose
<i>Governmental Activities</i>			
General Fund	\$ 1,985,769	\$ 2,050,183	Operating subsidies, debt service, and capital funding
GO Bond Debt Service Fund	0	2,883,500	Bond proceeds to capital project fund
Risk Management Internal Service Fund	164,035	0	Transfer cash to create fund
<i>Business-type Activities</i>			
RJU Enterprise Fund	865,018	1,606,166	Administrative fees and capital funding
Airport Enterprise Fund	207,024	0	Operating subsidy
Solid Waste Enterprise Fund	270,184	147,941	Operating subsidy and administrative fees
RWWTP Enterprise Fund	<u>0</u>	<u>529,942</u>	Administrative fees
Total Major Funds	3,492,030	7,217,732	
NON-MAJOR FUNDS			
<i>Governmental Activities</i>	<u>4,965,634</u>	<u>1,239,932</u>	Operating subsidies, debt service, and capital funding
	<u>\$ 8,457,664</u>	<u>\$ 8,457,664</u>	

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows.

	Beginning Balance	Additions	Deletions	Transfers/ Adjustments	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets, not being depreciated					
Land	\$ 10,315,759	\$ 0	\$ (0)	\$ 0	\$ 10,315,759
Construction in progress	50,175	152,754	(0)	(28,920)	174,009
Art	18,200	0	(0)	0	18,200
<i>Total capital assets not depreciated</i>	<u>10,384,134</u>	<u>152,754</u>	<u>(0)</u>	<u>(28,920)</u>	<u>10,507,968</u>
Capital assets, begin depreciated					
Infrastructure	38,353,221	729,979	(0)	28,920	39,112,120
Buildings and improvements	13,303,577	0	(0)	1	13,303,578
Machinery and equipment	2,435,927	458,210	(34,182)	325,000	3,184,955
Vehicles	5,303,741	503,149	0	(1)	5,806,889
<i>Total capital assets, being depreciated</i>	<u>59,396,466</u>	<u>1,691,338</u>	<u>(34,182)</u>	<u>353,920</u>	<u>61,407,542</u>
Accumulated depreciation for:					
Infrastructure	(19,648,581)	(961,282)	0	0	(20,609,863)
Buildings and improvements	(5,631,390)	(443,453)	0	0	(6,074,843)
Machinery and equipment	(1,677,649)	(153,812)	34,182	(127,639)	(1,924,918)
Vehicles	(3,131,121)	(558,066)	0	0	(3,689,187)
<i>Total accumulated depreciation</i>	<u>(30,088,741)</u>	<u>(2,116,613)</u>	<u>34,182</u>	<u>(127,639)</u>	<u>(32,298,811)</u>
<i>Total capital assets, net of depreciation</i>	<u>29,307,725</u>	<u>(425,275)</u>	<u>0</u>	<u>226,281</u>	<u>29,108,731</u>
Net capital assets	\$ 39,691,859	\$ (272,521)	\$ (0)	\$ 197,361	\$ 39,616,699

Depreciation expense was charged to function/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$1,336,909
Public safety	357,133
Public works	304,610
Culture and recreation	107,576
Health and welfare	10,385
	<u>\$2,116,613</u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

E. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfers/ Adjustmnts	Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital assets, not being depreciated					
Land	\$ 1,139,946	\$ 0	\$ (0)	\$ 0	\$ 1,139,946
Construction in progress	539,068	4,888,105	(401,552)	0	5,025,621
<i>Total capital assets not depreciated</i>	<u>1,679,014</u>	<u>4,888,105</u>	<u>(401,552)</u>	<u>0</u>	<u>6,165,567</u>
Capital assets, begin depreciated					
Infrastructure	24,649,071	769,170	(0)	0	25,418,241
Buildings and improvements	4,939,857	0	(0)	0	4,939,857
Machinery and equipment	1,296,155	52,184	(0)	0	1,348,339
Vehicles	5,344,423	172,241	(0)	0	5,516,664
<i>Total capital assets, being depreciated</i>	<u>36,229,506</u>	<u>993,595</u>	<u>(0)</u>	<u>0</u>	<u>37,223,101</u>
Accumulated depreciation for:					
Infrastructure	(1,344,000)	(618,788)	0	(2,213)	(1,965,001)
Buildings and improvements	(1,965,947)	(164,914)	0	0	(2,130,861)
Machinery and equipment	(845,362)	(86,544)	0	2,213	(929,693)
Vehicles	(3,485,977)	(440,215)	0	0	(3,926,192)
<i>Total accumulated depreciation</i>	<u>(7,641,286)</u>	<u>(1,310,461)</u>	<u>0</u>	<u>0</u>	<u>(8,951,747)</u>
<i>Total capital assets, net of depreciation</i>	<u>28,588,220</u>	<u>(316,866)</u>	<u>0</u>	<u>0</u>	<u>28,271,354</u>
Net capital assets	\$ 30,267,234	\$ 4,571,239	\$ (401,552)	\$ 0	\$ 34,436,921

BUSINESS-TYPE ACTIVITIES

Water and sewer (RJU)	\$ 185,183
Airport	187,733
Solid waste	341,348
Wastewater (RWWTWP)	<u>596,197</u>
	<u>\$1,310,461</u>

F. Long-term Liabilities

Landfill Closure Costs

The Village, County of Lincoln, Village of Capitan, City of Ruidoso Downs, Village of Corona, Town of Carrizozo, County of Otero, City of Alamogordo, Village of Tularosa, and the Village of Cloudcroft have formed the Otero-Lincoln County regional landfill. All trash collected by the Village is transferred to the regional landfill. The financial accountability for the regional landfill is the responsibility of the City of Alamogordo. The Village has pledged environmental gross receipts tax collections to service bonds issued by the City of Alamogordo for facility construction. Financial assurances required by the State of New Mexico Environment Regulation Board for the closure and post-closure care costs are the responsibility of the City of Alamogordo. The Village has no landfill closure liability nor any post-closure costs associated with trash generated by the Village residents for the year ended June 30, 2015.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Gross Receipts Tax Revenue Bonds

The Village issues bonds where the Village pledges income from the receipt of gross receipts tax (GRT) (sales tax) revenue. GRT bonds have been issued for both governmental and business-type activities. The original amount of these bonds issued in the prior years was \$6,970,000. These bonds provided funds for the construction of many Village capital improvements. The Village pledges a portion of GRT for repayment of these bonds, which have varying interest rates that range from 2.00% to 3.25%.

GRT revenue bonds outstanding at year-end are as follows:

	Amount	Maturity Date
February 2006		
Capital Projects	\$ 2,285,000	June 1, 2026
November 2011		
Water Rights	265,000	June 1, 2018
May 2012		
Water Infrastructure	2,080,000	June 1, 2031
	<u>\$ 4,630,000</u>	

Annual debt service requirements to maturity for all capital project GRT revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 165,000	\$ 100,000
2017	170,000	92,163
2018	180,000	84,087
2019	190,000	75,538
2020	200,000	66,512
2021 – 2025	1,125,000	197,937
2026	<u>255,000</u>	<u>10,838</u>
	<u>\$ 2,285,000</u>	<u>\$ 627,075</u>

Annual debt service requirements to maturity for all water rights GRT revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 85,000	\$ 8,480
2017	90,000	5,760
2018	<u>90,000</u>	<u>2,880</u>
	<u>\$ 265,000</u>	<u>\$ 17,120</u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Gross Receipts Tax Revenue Bonds (Continued)

Annual debt service requirements to maturity for all water infrastructure GRT revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 105,000	\$ 60,488
2017	110,000	58,387
2018	115,000	56,188
2019	115,000	53,887
2020	115,000	51,588
2021 – 2025	630,000	204,087
2026 – 2030	730,000	98,681
2031	<u>160,000</u>	<u>5,200</u>
	<u>\$ 2,080,000</u>	<u>\$ 588,506</u>

Revenue Bonds

The Village also issues bonds where the Village pledges income derived from the net revenues from the operation of the municipal regional wastewater treatment plant. Revenue bonds have been issued for business-type activities. The original amount of revenue bonds issued in prior years was \$13,575,000. These bonds provided funds for the refunding of revenue bonds that were used for the construction and/or improvements to the wastewater distribution system. Interest rate on the bonds is ranges from 2.00% to 4.00%.

Revenue bonds outstanding at year-end are as follows:

	<u>Amount</u>	<u>Maturity Date</u>
Refunding Bonds		
June 2013	\$ 4,820,000	July 1, 2027
July 2013	<u>8,445,000</u>	July 1, 2030
	<u>\$ 13,265,000</u>	

Annual debt service requirements to maturity for all refunding wastewater revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 720,000	\$ 422,903
2017	740,000	406,254
2018	760,000	387,017
2019	775,000	363,032
2020	805,000	336,125
2021 - 2025	4,410,000	1,282,953
2026 – 2030	3,790,000	555,793
2031	<u>1,265,000</u>	<u>25,300</u>
	<u>\$ 13,265,000</u>	<u>\$ 3,779,377</u>

**STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

General Obligation (GO) Bonds

The Village issues GO bonds to fund water distribution capital improvements. These bonds have been issued for governmental activities, although the direct benefit is the distribution of water to utility customers of RJU. The original amount of GO bonds is \$3,000,000, of which \$1,500,000 was issued in July 2014 and another \$1,500,000 was issued in June 2015, with interest rates of 1.66% and 1.62%, respectively. GO bonds are direct obligations and pledged the full faith and credit of the Village. The bonds are ten (10) year serial bonds with equal amounts of principal maturing each year. Principal is paid annually each June and interest is paid semiannually each December and June.

Pledged revenue source is a 1.5 mil tax levy that is voter approved every two (2) years. The next election is scheduled for March 2016.

GO Bonds outstanding at year-end are as follows:

	Amount	Maturity Date
GO Bonds		
July 2014	\$ 780,000	June 1, 2024
June 2015	<u>1,500,000</u>	June 1, 2025
	<u>\$ 2,280,000</u>	

Annual debt service requirements to maturity for all GO bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 685,000	\$ 37,113
2017	165,000	26,121
2018	170,000	23,416
2019	175,000	20,630
2020	180,000	17,761
2021 - 2025	<u>905,000</u>	<u>43,887</u>
	<u>\$ 2,280,000</u>	<u>\$ 168,928</u>

Capital Loans

The Village has also issued low interest rate loans provided by intergovernmental agencies and financial institutions for the acquisition of minor equipment needs and construction of major capital facilities. Capital loans were issued for both governmental and business-type activities. The original amount of capital loans issued in prior years was \$8,369,343.

The Village obtained a loan from the New Mexico Finance Authority (NMFA) on February 28, 2011 to refinance an existing debt on the Police Administration Building. The original loan amount was \$1,210,000 with an interest rate of 3.00%. The term of the loan is nine (9) years with payments commencing in commencing May 2011. Principal is paid annually each May and interest is paid semi-annually each November and May. Payments range from \$105,000 to \$225,000. The note is secured by and payable from the revenues derived from the Municipal Gross Receipts Tax and Municipal Infrastructure Gross Receipts Tax.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Capital Loans (Continued)

Debt service requirements to maturity of this loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 105,000	\$ 12,473
2017	110,000	10,078
2018	115,000	7,142
2019	<u>115,000</u>	<u>3,726</u>
	<u>\$ 445,000</u>	<u>\$ 33,419</u>

The Village obtained a loan from NMFA on February 15, 2006 for the purpose of acquiring street maintenance equipment for the Village's Road Department. The original loan amount was \$846,667 with an interest rate of 3.00%. The term of the loan is ten (10) years with payments commencing in commencing May 2007. Principal is paid annually each May and interest is paid semi-annually each November and May. Payments range from \$62,835 to \$100,399. The note is secured by and payable from gasoline tax distributions.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 100,399	\$ 3,715

The Village obtained a loan from NMFA on July 23, 2009 for the purpose of acquiring two (2) fire trucks. The original loan amount was \$1,015,000 with an interest rate of 3.00%. The term of the loan is fifteen (15) years with payments commencing in commencing May 2011. Principal is paid annually each May and interest is paid semi-annually each November and May. Payments range from \$32,834 to \$86,264. The note is secured by and payable from the New Mexico Fire Marshall distributions of fire protection funds.

Debt service requirements to maturity of this loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 64,118	\$ 25,950
2017	65,664	24,405
2018	67,377	22,691
2019	69,311	20,758
2020	71,446	18,623
2021 - 2025	<u>398,845</u>	<u>51,499</u>
	<u>\$ 736,761</u>	<u>\$ 163,926</u>

The Village obtained a loan from NMFA on February 10, 2012 for the purpose of remodeling the Convention Center. The original loan amount was \$1,537,768 with an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing in commencing May 2010. Principal is paid annually each May and interest is paid semi-annually each November and May. Payments range from \$30,764 to \$109,930. The note is secured by and payable from the revenues received by the Village for Lodgers' Tax.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Capital Loans (Continued)

Debt service requirements to maturity of this loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 66,805	\$ 48,236
2017	68,715	46,326
2018	70,887	44,154
2019	73,269	41,773
2020	75,870	39,172
2021 – 2025	426,404	148,803
2026 - 2029	<u>411,965</u>	<u>48,201</u>
	<u>\$ 1,193,915</u>	<u>\$ 416,665</u>

The Village obtained a loan from NMFA on August 22, 2014 for the purpose of designing the addition of a liner on the Grindstone Dam. The original loan amount was \$55,300 with an interest rate of 2.61%. Attached to the loan was a grant component of \$497,700 for a total project cost of \$553,000. The term of the loan is twenty (20) years with payments commencing in commencing upon completion of the design. Principal and interest is paid annually each June. Payments range from \$2,224 to \$2,869. The note is secured by and payable from the Supplemental GRT revenues. The loan was paid in full in July 2015.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 53,183	\$ 133

The Village obtained a loan from NMFA on September 5, 2014 for the purpose of construction of the liner at Grindstone Dam. The original loan amount was \$315,760 with an interest rate of 2.62%. Attached to the loan was a grant component of \$2,841,840 for a total project cost of \$3,157,600. The term of the loan is twenty (20) years with payments commencing in commencing upon completion of construction. Principal and interest is paid annually each June. Payments range from \$12,128 to \$16,415. The note is secured by and payable from the Supplemental GRT revenues. The loan was paid in full in July 2015.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 304,215	\$ 761

The Village obtained a loan from Wagner Equipment Company on July 20, 2010 for the purpose of acquiring a Motor Grader. The original loan amount was \$238,000 with an interest rate of 5.00%. The term of the loan is five (5) years with payments commencing in commencing July 2010. Principal and interest are paid monthly. Payments are fixed at \$2,200. The note is secured by and payable from Gasoline Tax revenues of the street operation.

STATE OF NEW MEXICO
 VILLAGE OF RUIDOSO
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Capital Loans (Continued)

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 141,700	\$ 924

The Village obtained a loan from Wagner Equipment Company on April 19, 2010 for the purpose of acquiring a Backhoe. The original loan amount was \$87,000 with an interest rate of 5.00%. The term of the loan is five (5) years with payments commencing in commencing May 2010. Principal and interest are paid monthly. Payments are fixed at \$1,412. The note is secured by and payable from Gasoline Tax revenues of the street operation.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 8,848	\$ 26

The Village obtained a loan from NMFA on August 15, 2014 to install auto-read water meters with in the Village limits. The original loan amount was \$3,030,000 with an interest rate of 2.00%. The loan has a debt forgiveness grant component of \$757,500 for a net loan amount of \$2,272,500. The term of the loan is twenty (20) years with payments commencing upon completion of the project. At report date, only \$30,000 had been drawn for a loan set up fee. The project did not start until August 2016 and is estimated to be complete in February 2016. The Village plans to pay off the loan at this time.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 30,000	\$ 0

The Village obtained a loan from Kansas State Bank on August 20, 2010 for the purpose of acquiring a grapple truck. The original loan amount was \$434,908 with an interest rate of 3.00%. The term of the loan is five (5) years with payments commencing in commencing October 2010. Principal and interest are paid monthly. Payments are fixed at \$7,967. The note is secured by and payable from net revenues of the solid waste operation.

Debt service requirement to maturity of this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 23,751	\$ 150

Changes in Long-term Liabilities

In prior years, unamortized bond premiums and bond issuance costs were reported as a part of long-term liabilities (debt). With the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, these amounts are now expensed in the year of issuance, with the exception of insurance premiums. Long-term liability activity for the year ended June 30, 2015 follows:

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. Long-term Liabilities (Continued)

Changes in Long-term Liabilities (Continued)

	Outstanding 07/01/14	Borrowings	Repayments	Adjustments	Outstanding 06/30/15	Due within One Year
GOVERNMENTAL ACTIVITIES						
GRT revenue bonds	\$ 2,440,000	\$ 0	\$ 155,000	\$ 0	\$ 2,285,000	\$ 165,000
GO bonds	0	3,000,000	720,000	0	2,280,000	685,000
Capital loans	2,805,561	401,060	381,236	188,636	3,014,021	874,268
	5,245,561	3,401,060	1,256,236	188,636	7,579,021	1,724,268
Compensated absences	699,050	130,659	0	0	829,709	66,377
Total Governmental	5,944,611	3,531,719	1,256,236	188,636	8,408,730	1,790,645
BUSINESS-TYPE ACTIVITIES						
Gross receipts tax bonds	2,530,000	0	185,000	0	2,345,000	190,000
Revenue bonds	13,575,000	0	310,000	0	13,265,000	720,000
Capital loans	116,542	0	92,791	0	23,751	23,751
	16,221,542	0	587,791	0	15,633,751	933,751
Compensated absences	429,965	58,144	0	0	488,109	39,049
Total Business-type	16,651,507	58,144	587,791	0	16,121,860	972,800
TOTAL PRIMARY GOVERNMENT	\$ 22,596,118	\$ 3,589,863	\$ 1,844,027	\$ 188,636	\$ 24,530,590	\$2,763,445

In prior years, the General Fund typically liquidated long-term liabilities other than debt.

G. Leases

Operating Leases

The Village leases office equipment, machinery, and police motorcycles under short-term cancellable operating leases. Rental expenses for the year ended June 30, 2015 was \$139,202.

H. Fund Balance

Minimum Fund Balance Policy

The governing body has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at two (2) months of general fund annual expenditures (approximately 16.66%). This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within one (1) year. The Village has not dipped into the reserve for the most recent three fiscal years.

Prior Period Adjustment

The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, improves the accounting and financial reporting by local governments for pensions and provides information about employer support for pensions provided by other entities. The Village participates in the State of New Mexico's PERA plan, specifically in the Municipal General, Police, and Fire Divisions. The cost associated with the Municipal General plan is split between Governmental and Business-type activities and Police and Fire costs are considered Governmental activities.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

H. Fund Balance (Continued)

Prior Period Adjustment (Continued)

The Village recorded beginning balances for their proportionate share of PERA’s net pension liability (actuarially accrued pension liability less market value of pension assets) and an amount for deferred outflow of resources for pensions which is equal to the Village’s contributions made in fiscal year 2014. The following is the prior period adjustment broken down by activity:

	Governmental Activities	Business-type Activities	Total
Beginning net pension liability	\$ 10,705,788	\$ 3,297,076	\$ 14,002,864
Less: deferred outflows of resources for pensions	(918,815)	(322,015)	(1,240,830)
Net adjustment	\$ 9,786,973	\$ 2,975,061	\$ 12,762,034

NOTE 5. OTHER INFORMATION

A. Risk Management

The Village is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The Village participates in the New Mexico Self-Insurers’ Fund Risk Pool.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would not be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self- Insurers’ Fund (NMSIF) assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverages have not changed significantly from prior years and coverages are expected to be continued. At June 30, 2015 no unpaid claims have been filed which exceed the policy limits and to the best of management’s knowledge and belief, all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the Village of Ruidoso.

NMSIF has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

The Village was a defendant in various claims and lawsuits at June 30, 2015. Although the outcome of these suits and claims is not presently determinable, it is the opinion of legal counsel that all claims were within insurance policy limits or risk management provisions.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Plan Description

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

PERA issues a separate, publicly available financial report and a comprehensive annual report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366. In addition, the report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

Benefits Provided

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancial Statements/ 366_Public_Employees_Retirement_Association_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancial%20Statements/366_Public_Employees_Retirement_Association_2014.pdf).

Contributions

The contribution requirements of the defined benefit plan members and the Village are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for fiscal year 2014 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA fiscal year 2014 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to the Village are: Municipal General, Municipal Police, and Municipal Fire. Statutorily required contributions to the pension plan from the Village were \$970,137 and employer paid member benefits that were "picked up" by the employer were \$348,745 for the year ended June 30, 2015.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

For PERA Fund Division Municipal General, at June 30, 2015, the Village reported a liability of \$5,326,573 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.6828%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Village recognized PERA Fund Division Municipal General's pension expense of \$815,801. At June 30, 2015, the Village reported PERA Fund Division Municipal General's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 0	\$ 3,610
Net difference between projected and actual earnings on pension plan investments	0	2,083,896
Village contributions subsequent to the measurement date	815,801	0
TOTAL	\$ 815,801	\$ 2,087,506

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$815,801 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2016	\$ 521,872
2017	521,872
2018	521,872
2019	521,872
2020	<u>18</u>
	<u>\$ 2,087,506</u>

For PERA Fund Division Municipal Police, at June 30, 2015, the Village reported a liability of \$2,150,235 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.6596%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Village recognized PERA Fund Division Municipal Police's pension expense of \$287,275. At June 30, 2015, the Village reported PERA Fund Division Municipal Police's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Type</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ 0	\$ 174,671
Net difference between projected and actual earnings on pension plan investments	0	799,548
Village contributions subsequent to the measurement date	<u>287,275</u>	<u>0</u>
TOTAL	\$ 287,275	\$ 974,219

\$287,275 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2016	\$ 243,338
2017	243,338
2018	243,338
2019	243,338
2020	<u>867</u>
	<u>\$ 974,219</u>

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For PERA Fund Division Municipal Fire, at June 30, 2015, the Village reported a liability of \$2,880,879 for its proportionate share of the net pension liability. At June 30, 2014, the Village's proportion was 0.6902%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Village recognized PERA Fund Division Municipal General's pension expense of \$215,806. At June 30, 2015, the Village reported PERA Fund Division Municipal General's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 100,009	\$ 0
Net difference between projected and actual earnings on pension plan investments	0	399,022
Village contributions subsequent to the measurement date	215,806	0
TOTAL	\$ 315,815	\$ 399,022

\$215,806 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2016	\$ 74,878
2017	74,878
2018	74,878
2019	74,878
2020	(499)
	<u>\$ 299,013</u>

Actuarial Assumptions

As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

**STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Actuarial Assumptions (Continued)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

PERA Fund Division Municipal General	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Village's proportionate share of the net pension liability	\$ 10,041,787	\$ 5,326,573	\$ 1,683,444

PERA Fund Division Municipal Police	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Village's proportionate share of the net pension liability	\$ 4,100,481	\$ 2,150,235	\$ 693,994

PERA Fund Division Municipal Fire	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Village's proportionate share of the net pension liability	\$ 4,070,482	\$ 2,880,879	\$ 2,003,520

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued fiscal year 2014 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the Pension Plan

At the June 30, 2015, the Village did not have any outstanding payables to PERA.

D. Post-Employment Benefits

The Retiree Health Care Act, Chapter IV, Article 7C, NMSA 1978 provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Village has elected not to participate in the post-employment health insurance plan.

E. Deferred Compensation

The Village offers its employees two (2) optional deferred compensation plans. These plans were created in accordance with Internal Revenue Code (IRC) Section 457. The plans are administered by International City Manager Association (ICMA) and Nationwide Retirement Solutions, Inc. The assets and liabilities are held in trust by ICMA and Nationwide, respectively.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

E. Deferred Compensation (Continued)

The plans are available to all Village employees. The plans permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees elect to contribute a certain percentage of their gross salary, but the amount of contribution cannot exceed 33.5% of their salary up to a maximum dollar amount of \$13,000 per year into the plan. All contributions withheld from the participants' wages by the Village have been paid to the plan administrator. Currently, there are forty-four employees participating in the plan. Employee contributions totaled \$65,520 (\$57,388 ICMA and \$8,132 Nationwide) for the year ended June 30, 2015.

F. Concentrations

The Village depends on financial resources flowing from or associated with both the Federal and the State of New Mexico governments. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and appropriations.

G. Other Significant Commitments

Encumbrances

As discussed in Note 1.D.1., Budgetary Information, Budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 81,800
Nonmajor governmental funds	<u>633,577</u>
Total	<u>\$715,377</u>

H. Subsequent Events

The Village obtained a grant/loan from NMFA through its Water Trust Board on August 15, 2014 for the purpose of replacing water meters within the Village limits. The original amount of the loan is \$3,030,000, but includes a grant of principal forgiveness of \$757,500, which nets the loan to \$2,272,500. The loan carries an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing one month after project completion. Principal is paid annually each May and interest is paid semi-annually each November and May. The loan is secured by and payable from SGRT tax revenues. At report date, the Village had drawn down only \$30,000. Project officially started in August 2015 with an estimated completion date of March 2016.

The Village issued GRT Refunding and Improvement Revenue bonds on August 25, 2015 for the purpose of generating \$1,500,000 to purchase real property located in downtown Ruidoso that will be transformed into mid-town parking. The original amount of the bonds is \$3,880,000, which were sold at a premium of \$188,465. The bonds were issued at an interest rate of 1.62% and are insured and rated. The bonds carry an A1 rating from Moody's and an AA rating from Standard & Poor's. The term of the bonds is ten (10) years with payments commencing June 1, 2016. Principal and interest are paid annually each June. The bonds are secured by local option GRT revenues.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

I. Recent Accounting Pronouncements

In August 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, which is effective for periods beginning after June 15, 2014. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions and provides information about employers' financial support for pensions that are provided by other entities. The Village provides substantially all of its employees with pension benefits through the State's multiple employer cost-sharing defined-benefit retirement plan administered by PERA. The Statement requires cost-sharing employers participating in the PERA program to record their proportionate share of the Village's unfunded pension liability. The Village has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. The Village adopted GASB Statement No.68 during fiscal year 2015 and recorded a portion of PERA's unfunded liability, as required by the standard, which has negatively impacted the Village's unrestricted net position. Information regarding PERA's current funding status can be found in their financial report.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for financial statements for periods beginning after December 15, 2013. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The Village was not a part to any combinations or disposals in the current year and therefore the adoption of this standard does not have any impact on the Village's financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. GASB Statement No. 71 should be applied simultaneously with the provisions of Statement No. 68. Statement No. 68 requires a local government employer to recognize a net pension liability measured as of the measurement date, no earlier than the end of its prior fiscal year. If a local government employer makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, then the standard requires that the government recognize its contribution as a deferred outflow of resources. If it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginner net pension liability could not have been reported as deferred outflows of resources at transition.

The objective of this Statement No. 71 is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. Statement No. 71 amends paragraph 137 of Statement No. 68 to required that at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The Village adopted this standard during the fiscal year.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. OTHER INFORMATION (CONTINUED)

I. Recent Accounting Pronouncements (Continued)

In June 2015, the GASB issued Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective for fiscal years beginning after June 15, 2015. Statement No. 76 supersedes Statement No. 55, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and aims to identify, in the context of the current governmental financial reporting environment, the hierarchy of US GAAP, which consists of the sources of accounting principles used to prepare the financial statement of state and local governmental entities in conformity with US GAAP, as well as the framework for selecting those principals. The Village adopted this standard during fiscal year 2015, with no significant impact on the Village's financial statements.

J. New Accounting Pronouncements

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2015.

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*
- Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

The Village will implement these new GASB pronouncements in the fiscal year no later than the required effective date. The Village believes that the above listed new GASB pronouncements will not have a significant financial impact to the Village or in issuing its financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
(Dollars Amounts in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village's proportion of the net pension liability (asset)	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Village's proportionate share of the net pension liability (asset)	\$ 10,358	-	-	-	-	-	-	-	-	-
Village's covered-employee payroll	\$ 7,924	-	-	-	-	-	-	-	-	-
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	130.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VILLAGE CONTRIBUTIONS
JUNE 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
All Divisions Combined Summary
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	1,240	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ (335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 7,924									
Contributions as a percentage of covered-employee payroll	15.65%									

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 3,361	5	\$ -	\$ 840	\$ 840	\$ 840	\$ 839	\$ 2	\$ -			
2015	-	5	-	-	-	-	-	-	-			
2016	-	5	-	-	-	-	-	-	-			
2017	-	5	-	-	-	-	-	-	-			
2018	-	5	-	-	-	-	-	-	-			
2019	-	5	-	-	-	-	-	-	-			
2020	-	5	-	-	-	-	-	-	-			
2021	-	5	-	-	-	-	-	-	-			
2022	-	5	-	-	-	-	-	-	-			
2023	-	5	-	-	-	-	-	-	-			
	<u>\$ 3,361</u>		<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 840</u>	<u>\$ 840</u>	<u>\$ 839</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

* Excess contributions represent the employee portion covered by the employer. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VILLAGE CONTRIBUTIONS
JUNE 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
General Division Combined Summary
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	752	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ (245)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 5,860									
Contributions as a percentage of	12.83%									

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Amount Deferred	Amortization Years										
2014	\$ 2,088	5	\$ -	\$ 522	\$ 522	\$ 522	\$ 522	\$ -				
2015	-	5	-	-	-	-	-	-	-	-		
2016	-	5	-	-	-	-	-	-	-	-		
2017	-	5	-	-	-	-	-	-	-	-		
2018	-	5	-	-	-	-	-	-	-	-		
2019	-	5	-	-	-	-	-	-	-	-		
2020	-	5	-	-	-	-	-	-	-	-		
2021	-	5	-	-	-	-	-	-	-	-		
2022	-	5	-	-	-	-	-	-	-	-		
2023	-	5	-	-	-	-	-	-	-	-		
	<u>\$ 2,088</u>		<u>\$ -</u>	<u>\$ 522</u>	<u>\$ 522</u>	<u>\$ 522</u>	<u>\$ 522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Excess contributions represent the employee portion covered by the employer. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VILLAGE CONTRIBUTIONS
JUNE 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
Police Division Combined Summary
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	292	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ (57)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 1,235									
Contributions as a percentage of	23.64%									

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Amount Deferred	Amortization Years										
2014	\$ 974	5	\$ -	\$ 243	\$ 243	\$ 243	\$ 243	\$ 2				
2015	-	5	-	-	-	-	-	-	-	-		
2016	-	5	-	-	-	-	-	-	-	-		
2017	-	5	-	-	-	-	-	-	-	-		
2018	-	5	-	-	-	-	-	-	-	-		
2019	-	5	-	-	-	-	-	-	-	-		
2020	-	5	-	-	-	-	-	-	-	-		
2021	-	5	-	-	-	-	-	-	-	-		
2022	-	5	-	-	-	-	-	-	-	-		
2023	-	5	-	-	-	-	-	-	-	-		
	<u>\$ 974</u>		<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 243</u>	<u>\$ 243</u>	<u>\$ 243</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Excess contributions represent the employee portion covered by the employer. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VILLAGE CONTRIBUTIONS
JUNE 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
Fire Division Combined Summary
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	196	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ (33)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 829									
Contributions as a percentage of	23.64%									

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
			\$ -	\$ 75	\$ 75	\$ 75	\$ 74	\$ -	\$ -	\$ -	\$ -	\$ -
2014	\$ 299	5	-	75	75	75	74	-	-	-	-	-
2015	-	5	-	-	-	-	-	-	-	-	-	-
2016	-	5	-	-	-	-	-	-	-	-	-	-
2017	-	5	-	-	-	-	-	-	-	-	-	-
2018	-	5	-	-	-	-	-	-	-	-	-	-
2019	-	5	-	-	-	-	-	-	-	-	-	-
2020	-	5	-	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-	-
	<u>\$ 299</u>		<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Excess contributions represent the employee portion covered by the employer. This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2015

Notes to the Required Supplementary Information

1. Changes of Benefit Terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

2. Changes of Assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states "based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

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SUPPLEMENTARY INFORMATION

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a specific purpose.

Correction Fees Fund accounts for a \$10 fee imposed upon conviction of an individual as stipulated under Section 35-14-11 NMSA 1978. The funds collected are restricted to be used in the operation of the Village's jail facilities.

Emergency Medical Service (EMS) Fund accounts for funds made available to municipalities in proportion to their needs for use in the establishment of emergency medical services in order to reduce injury and loss of life under Section 24-10A and 24-10B NMSA 1978. These funds are to be spent on the training of personnel and non-administrative expenditures involved in providing this service.

Fire Protection Fund accounts for the accumulation of resources from the State's Fire Protection Fund administered through the State Fire Marshall's Office. These funds are to be used for the operation, maintenance, and betterment of local fire districts under Section 59A-53-1 to 59A-53-17 NMSA 1978.

Law Enforcement Protection (LEPF) Fund accounts for the accumulation of resources from the Village's equitable distribution of funds to municipal police under Section 29-13 NMSA 1978. The funds are for the use in the maintenance and improvement of the police department in order to enhance their effectiveness.

Lodgers' Tax Fund accounts for the resources from the lodgers' tax levied by the Village under Sections 3-38-13 to 3-38-24 NMSA 1978. The occupancy tax is imposed and collected on certain revenues of lodging establishments. The funds may be used for tourist related facilities, advertising, promotions, collection and administration of the tax, and various other uses as cited in the state law.

Municipal Gas Tax Fund (Streets) accounts for resources received from the once-cent gasoline tax imposed by Section 7-1-6.27 NMSA 1978. The funds are to be used for the reconstruction, resurfacing, maintaining and repairing, or otherwise improvement of existing or new alleys, streets, roads, or bridges.

Retired Senior Volunteer Program (RSVP) Fund accounts for the resources from a grant from the New Mexico Area Agency on Aging (AAA). The funds are to be spent on expenditures associated with the operations of the Village's Community Center.

Driving While Intoxicated (DWI) Fund accounts for state and federal grants that are to be used for implementation of improved traffic safety and drug control awareness in Ruidoso city limits. Authority for creation of this fund is budget approval by Village Council.

Forestry Operations Fund accounts for grants received from the State of New Mexico that are to be used for forest management and improvement. Authority for creation of this fund is approved by Village Council.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

Traffic Safety Fees Fund accounts for motor vehicle assessments imposed by 66-7-512 NMSA 1978. Expenditures are restricted to be utilized to enhance and improve traffic safety programs within Ruidoso city limits.

Impact Fees Fund accounts for the proceeds of water, sewer, and wastewater system connection fees under 3-26 NMSA 1978. The funds collected are to be used for the improvement of system distribution lines. This fund was close out during fiscal year 2015.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of principal and interest on the Village's general bonded debt.

Gross Receipts Tax (GRT) Revenue Bond Fund accounts for the accumulation of resources for and the payment of, principal and interest of Gross Receipts Tax Revenue Bonds issued. The resources of this fund are generated by the Village's share of the gross receipts tax. Authority for creation of this fund is approved by Village Council.

The New Mexico Finance Authority (NMFA) Loans Fund accounts for the accumulation of resources for and the payment of, principal and interest of restricted loans used for the purchase of fire trucks, street equipment, remodeling of the Convention Center, and refunding of the debt associated with the Police Administration Building. The repayment sources are generated by the Village's share of fire protection funds, gasoline tax, lodgers' tax, and gross receipts tax, respectively. Authority for creation of this fund is approved by Village Council.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition and construction of major capital projects other than those finance by proprietary funds.

Federal Emergency Management Agency (FEMA) Capital Projects Fund accounts for grant proceeds received for the reimbursement of the Village's expenditures in connection with its Federal Emergency disasters.

General Obligation (GO) Bonds Fund accounts for the accumulation of anticipated resources of the 2014 general obligation bond issue. The expenditures are restricted for use in the improvement of the water distribution system. Authority for creation of this fund is approved by Village Council.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

SPECIAL REVENUE FUNDS

	<u>Correction Fees</u>	<u>Emergency Medical Services</u>	<u>Fire Protection</u>	<u>Law Enforcement Protection</u>	<u>Lodgers' Tax</u>	<u>Municipal Gas Tax</u>
ASSETS						
Cash and cash equivalents	\$ 42,805	\$ 14,270	\$ 189,154	\$ 4,433	\$ 376,619	\$ 166,942
Investments	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	119,923	25,584
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	282,676
Prepaid items	-	-	-	-	-	-
Total Assets	<u>\$ 42,805</u>	<u>\$ 14,270</u>	<u>\$ 189,154</u>	<u>\$ 4,433</u>	<u>\$ 496,542</u>	<u>\$ 475,202</u>
LIABILITIES						
Accounts payable	\$ 2,014	\$ -	\$ 1,204	\$ -	\$ 88,782	\$ 42,638
Accrued liabilities	-	-	-	-	-	26,095
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>2,014</u>	<u>-</u>	<u>1,204</u>	<u>-</u>	<u>88,782</u>	<u>68,733</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable:						
Inventory	-	-	-	-	-	282,676
Prepaid items	-	-	-	-	-	-
Restricted:						
Public safety	40,791	-	10,853	-	-	-
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	407,760	48,904
Assigned:						
Purchases on order	-	-	2,923	-	-	11,869
Subsequent year's budget; appropriation of fund	-	14,270	174,174	4,433	-	63,020
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>40,791</u>	<u>14,270</u>	<u>187,950</u>	<u>4,433</u>	<u>407,760</u>	<u>406,469</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 42,805</u>	<u>\$ 14,270</u>	<u>\$ 189,154</u>	<u>\$ 4,433</u>	<u>\$ 496,542</u>	<u>\$ 475,202</u>

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS					Subtotal	DEBT SERVICE FUNDS	
RSVP	DWI	Forestry Operations	Traffic Safety Fees	Impact Fees	Special Revenue Funds	GRT Revenue Bonds	NMFA Loans
\$ 15,363	\$ 11,603	\$ 126,692	\$ 943	\$ -	\$ 948,824	\$ -	\$ 358,291
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	446,634
1,799	-	8,402	-	-	155,708	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	282,676	-	-
-	-	-	-	-	-	-	-
<u>\$ 17,162</u>	<u>\$ 11,603</u>	<u>\$ 135,094</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 1,387,208</u>	<u>\$ -</u>	<u>\$ 804,925</u>
\$ 2,563	\$ 11,454	\$ -	\$ -	\$ -	\$ 148,655	\$ -	\$ -
1,486	-	-	-	-	27,581	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,049</u>	<u>11,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,236</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	282,676	-	-
-	-	-	-	-	-	-	-
-	-	-	943	-	52,587	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	804,925
4,929	-	135,094	-	-	596,687	-	-
-	-	-	-	-	14,792	-	-
8,184	149	-	-	-	264,230	-	-
-	-	-	-	-	-	-	-
<u>13,113</u>	<u>149</u>	<u>135,094</u>	<u>943</u>	<u>-</u>	<u>1,210,972</u>	<u>-</u>	<u>804,925</u>
<u>\$ 17,162</u>	<u>\$ 11,603</u>	<u>\$ 135,094</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 1,387,208</u>	<u>\$ -</u>	<u>\$ 804,925</u>

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Subtotal			Total	
	Debt Service	CAPITAL PROJECT FUNDS		Capital Project	Non Major
	Funds	FEMA	GO Bond	Funds	Funds
ASSETS					
Cash and cash equivalents	\$ 358,291	\$ -	\$ -	\$ -	\$ 1,307,115
Investments	-	-	-	-	-
Restricted cash	446,634	970,243	2,655,419	3,625,662	4,072,296
Receivables, net of allowance	-	-	-	-	155,708
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	282,676
Prepaid items	-	-	-	-	-
Total Assets	<u>\$ 804,925</u>	<u>\$ 970,243</u>	<u>\$ 2,655,419</u>	<u>\$ 3,625,662</u>	<u>\$ 5,817,795</u>
LIABILITIES					
Accounts payable	\$ -	\$ 58,026	\$ 2,810	\$ 60,836	\$ 209,491
Accrued liabilities	-	-	-	-	27,581
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>58,026</u>	<u>2,810</u>	<u>60,836</u>	<u>237,072</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	<u>-</u>	<u>216,821</u>	<u>-</u>	<u>216,821</u>	<u>216,821</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Inventory	-	-	-	-	282,676
Prepaid items	-	-	-	-	-
Restricted:					
Public safety	-	-	-	-	52,587
Capital projects	-	77,383	101,347	178,730	178,730
Debt service	804,925	-	-	-	804,925
Other purposes	-	-	-	-	596,687
Assigned:					
Purchases on order	-	618,013	772	618,785	633,577
Subsequent year's budget; appropriation of fund	-	-	2,550,490	2,550,490	2,814,720
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>804,925</u>	<u>695,396</u>	<u>2,652,609</u>	<u>3,348,005</u>	<u>5,363,902</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 804,925</u>	<u>\$ 970,243</u>	<u>\$ 2,655,419</u>	<u>\$ 3,625,662</u>	<u>\$ 5,817,795</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

SPECIAL REVENUE FUNDS

	<u>Correction Fees</u>	<u>Emergency Medical Services</u>	<u>Fire Protection</u>	<u>Law Enforcement Protection</u>	<u>Lodgers' Tax</u>	<u>Municipal Gas Tax</u>
REVENUES						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-
Other	-	-	-	-	1,361,034	149,706
Intergovernmental:						
Federal grants	-	-	-	-	-	-
State grants	-	13,143	290,738	33,800	-	62,809
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	204,791
Fines and forfeitures	37,561	-	-	-	-	-
Investment earnings	-	-	203	-	888	-
Miscellaneous	-	-	-	687	130,735	292
Total Revenues	<u>37,561</u>	<u>13,143</u>	<u>290,941</u>	<u>34,487</u>	<u>1,492,657</u>	<u>417,598</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	23,426	6,698	92,576	30,690	-	-
Public works	-	-	-	-	-	1,103,255
Culture and recreation	-	-	-	-	1,046,400	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	38,088
Interest	-	-	-	-	-	10,712
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	15,620	-	-	54,605
Total Expenditures	<u>23,426</u>	<u>6,698</u>	<u>108,196</u>	<u>30,690</u>	<u>1,046,400</u>	<u>1,206,660</u>
Excess (Deficiency) of Revenues over Expenditures	<u>14,135</u>	<u>6,445</u>	<u>182,745</u>	<u>3,797</u>	<u>446,257</u>	<u>(789,062)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	1,008,735
Transfers out	-	-	(90,069)	-	(188,589)	(99,496)
Proceeds from debt issuance	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(90,069)</u>	<u>-</u>	<u>(188,589)</u>	<u>909,239</u>
Net Change in Fund Balances	14,135	6,445	92,676	3,797	257,668	120,177
Fund Balances, Beginning of Year	<u>26,656</u>	<u>7,825</u>	<u>95,274</u>	<u>636</u>	<u>150,092</u>	<u>286,292</u>
Fund Balances, End of Year	<u>\$ 40,791</u>	<u>\$ 14,270</u>	<u>\$ 187,950</u>	<u>\$ 4,433</u>	<u>\$ 407,760</u>	<u>\$ 406,469</u>

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS					Subtotal	DEBT SERVICE FUNDS	
RSVP	DWI	Forestry Operations	Traffic Safety Fees	Impact Fees	Special Revenue Funds	GRT Revenue Bonds	NMFA Loans
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	1,510,740	-	-
2,500	-	195,861	-	-	198,361	-	-
34,977	174,561	22,223	-	-	632,251	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	204,791	-	-
-	-	-	3,542	-	41,103	-	-
-	-	-	-	2	1,093	-	2,648
-	-	40,584	-	-	172,298	-	-
<u>37,477</u>	<u>174,561</u>	<u>258,668</u>	<u>3,542</u>	<u>2</u>	<u>2,760,637</u>	<u>-</u>	<u>2,648</u>
-	-	-	-	-	-	-	-
-	173,260	-	-	-	326,650	-	-
-	-	244,334	-	-	1,347,589	-	-
-	-	-	-	-	1,046,400	-	-
50,581	-	-	-	-	50,581	-	-
-	-	-	-	-	38,088	155,000	343,148
-	-	-	-	-	10,712	107,363	130,169
-	-	-	-	-	-	-	-
-	-	-	-	46,055	116,280	-	-
<u>50,581</u>	<u>173,260</u>	<u>244,334</u>	<u>-</u>	<u>46,055</u>	<u>2,936,300</u>	<u>262,363</u>	<u>473,317</u>
<u>(13,104)</u>	<u>1,301</u>	<u>14,334</u>	<u>3,542</u>	<u>(46,053)</u>	<u>(175,663)</u>	<u>(262,363)</u>	<u>(470,669)</u>
12,107	-	-	-	-	1,020,842	262,363	798,929
-	-	-	-	(295,980)	(674,134)	-	(371,060)
-	-	-	-	-	-	-	401,060
<u>12,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(295,980)</u>	<u>346,708</u>	<u>262,363</u>	<u>828,929</u>
(997)	1,301	14,334	3,542	(342,033)	171,045	-	358,260
<u>14,110</u>	<u>(1,152)</u>	<u>120,760</u>	<u>(2,599)</u>	<u>342,033</u>	<u>1,039,927</u>	<u>-</u>	<u>446,665</u>
<u>\$ 13,113</u>	<u>\$ 149</u>	<u>\$ 135,094</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 1,210,972</u>	<u>\$ -</u>	<u>\$ 804,925</u>

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	CAPITAL PROJECT FUNDS		Subtotal	Total
	Debt Service	FEMA	GO Bond	Capital Project	Non Major
	Funds	Funds	Funds	Funds	Funds
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-
Other	-	-	-	-	1,510,740
Intergovernmental:					
Federal grants	-	455,921	-	455,921	654,282
State grants	-	540,669	-	540,669	1,172,920
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	204,791
Fines and forfeitures	-	-	-	-	41,103
Investment earnings	2,648	1	1,473	1,474	5,215
Miscellaneous	-	310,052	-	310,052	482,350
Total Revenues	<u>2,648</u>	<u>1,306,643</u>	<u>1,473</u>	<u>1,308,116</u>	<u>4,071,401</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	326,650
Public works	-	578,950	-	578,950	1,926,539
Culture and recreation	-	-	-	-	1,046,400
Health and welfare	-	-	-	-	50,581
Debt service:					
Principal	498,148	-	-	-	536,236
Interest	237,532	-	-	-	248,244
Bond issuance costs	-	-	-	-	-
Capital outlay	-	711,022	-	711,022	827,302
Total Expenditures	<u>735,680</u>	<u>1,289,972</u>	<u>-</u>	<u>1,289,972</u>	<u>4,961,952</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(733,032)</u>	<u>16,671</u>	<u>1,473</u>	<u>18,144</u>	<u>(890,551)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,061,292	-	2,883,500	2,883,500	4,965,634
Transfers out	(371,060)	-	(194,738)	(194,738)	(1,239,932)
Proceeds from debt issuance	401,060	-	-	-	401,060
Net Other Financing Sources (Uses)	<u>1,091,292</u>	<u>-</u>	<u>2,688,762</u>	<u>2,688,762</u>	<u>4,126,762</u>
Net Change in Fund Balances	358,260	16,671	2,690,235	2,706,906	3,236,211
Fund Balances, Beginning of Year	<u>446,665</u>	<u>678,725</u>	<u>(37,626)</u>	<u>641,099</u>	<u>2,127,691</u>
Fund Balances, End of Year	<u>\$ 804,925</u>	<u>\$ 695,396</u>	<u>\$ 2,652,609</u>	<u>\$ 3,348,005</u>	<u>\$ 5,363,902</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY (AGENCY) FUNDS

Fiduciary funds account for assets held by the Village in a trustee or agency capacity for individual, private organization, other governmental units, and/or other funds. Agency Funds are purely custodial and do not involve measurement of results of operations.

Special Gifts Fund accounts for the receipt of various donations for a specific project from individual and private businesses. Authority for creation of this fund is approved by Village Council.

Bail Bond Fund accounts for the receipt and disbursement of appearance bonds for those appearing the municipal court.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

<u>APPEARANCE BONDS</u>	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS				
Cash and cash equivalents	\$ 2,402	\$ 8,748	\$ 8,666	\$ 2,484
Total Assets	<u>\$ 2,402</u>	<u>\$ 8,748</u>	<u>\$ 8,666</u>	<u>\$ 2,484</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Special projects payable	<u>2,402</u>	<u>82</u>	<u>-</u>	<u>2,484</u>
Total Liabilities	<u>\$ 2,402</u>	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ 2,484</u>
 SPECIAL GIFTS				
ASSETS				
Cash and cash equivalents	\$ 114,735	\$ 114,699	\$ 144,115	\$ 85,319
Total Assets	<u>\$ 114,735</u>	<u>\$ 114,699</u>	<u>\$ 144,115</u>	<u>\$ 85,319</u>
LIABILITIES				
Accounts payable	\$ 320	\$ -	\$ 320	\$ -
Special projects payable	<u>114,415</u>	<u>115,019</u>	<u>144,115</u>	<u>85,319</u>
Total Liabilities	<u>\$ 114,735</u>	<u>\$ 115,019</u>	<u>\$ 144,435</u>	<u>\$ 85,319</u>
 TOTAL				
ASSETS				
Cash and cash equivalents	\$ 117,137	\$ 123,447	\$ 152,781	\$ 87,803
Total Assets	<u>\$ 117,137</u>	<u>\$ 123,447</u>	<u>\$ 152,781</u>	<u>\$ 87,803</u>
LIABILITIES				
Accounts payable	\$ 320	\$ -	\$ 320	\$ -
Special projects payable	<u>116,817</u>	<u>115,101</u>	<u>144,115</u>	<u>87,803</u>
Total Liabilities	<u>\$ 117,137</u>	<u>\$ 115,101</u>	<u>\$ 144,435</u>	<u>\$ 87,803</u>

The accompanying notes are an integral part of these financial statements.

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**SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN CASH BALANCES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
CORRECTION FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		Actual	VARIANCE
	Original	Final		Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	35,000	50,000	37,561	(12,439)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	35,000	50,000	37,561	(12,439)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	35,000	50,000	22,164	27,836
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	35,000	50,000	22,164	27,836
Excess (Deficiency) of Revenues over Expenditures	-	-	15,397	15,397
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-
Net Change in Cash Balances	\$ -	\$ -	15,397	\$ 15,397
Cash Balances, Beginning of Year			27,408	
Cash Balances, End of Year			\$ 42,805	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 15,397	
Adjustments to revenues			-	
Adjustments to expenditures			(1,262)	
Net Change in Fund Balances (GAAP Basis)			\$ 14,135	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
EMERGENCY MEDICAL SERVICES (EMS) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	16,045	13,143	13,143	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>16,045</u>	<u>13,143</u>	<u>13,143</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	16,045	13,143	6,698	6,445
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>16,045</u>	<u>13,143</u>	<u>6,698</u>	<u>6,445</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>6,445</u>	<u>6,445</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	6,445	<u>\$ 6,445</u>
Cash Balances, Beginning of Year			7,825	
Cash Balances, End of Year			<u>\$ 14,270</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 6,445	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 6,445</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	380,000	290,730	290,738	8
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	203	203
Miscellaneous	-	-	-	-
Total Revenues	<u>380,000</u>	<u>290,730</u>	<u>290,941</u>	<u>211</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	100,000	100,000	93,385	6,615
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	75,000	15,620	59,380
Total Expenditures	<u>100,000</u>	<u>175,000</u>	<u>109,005</u>	<u>65,995</u>
Excess (Deficiency) of Revenues over Expenditures	<u>280,000</u>	<u>115,730</u>	<u>181,936</u>	<u>66,206</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(189,930)	(25,660)	-	25,660
Transfers in	-	-	-	-
Transfers out	(90,070)	(90,070)	(90,069)	1
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>(280,000)</u>	<u>(115,730)</u>	<u>(90,069)</u>	<u>25,661</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	91,867	<u>\$ 91,867</u>
Cash Balances, Beginning of Year			97,287	
Cash Balances, End of Year			<u>\$ 189,154</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 91,867	
Adjustments to revenues			-	
Adjustments to expenditures			809	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 92,676</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT PROTECTION (LEPF) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		Actual	VARIANCE
	Original	Final		Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	33,800	33,800	33,800	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	687	687
Total Revenues	33,800	33,800	34,487	687
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	23,800	34,436	30,690	3,746
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	10,000	-	-	-
Total Expenditures	33,800	34,436	30,690	3,746
Excess (Deficiency) of Revenues over Expenditures	-	(636)	3,797	4,433
OTHER FINANCING SOURCES (USES)				
Designated cash	-	636	-	(636)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	-	636	-	(636)
Net Change in Cash Balances	\$ -	\$ -	3,797	\$ 3,797
Cash Balances, Beginning of Year			636	
Cash Balances, End of Year			\$ 4,433	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 3,797	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			\$ 3,797	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
LODGERS' TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable
				<u>(Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	1,392,000	1,392,000	1,349,681	(42,319)
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	1,000	1,000	888	(112)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>130,735</u>	<u>127,735</u>
Total Revenues	<u>1,396,000</u>	<u>1,396,000</u>	<u>1,481,304</u>	<u>85,304</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,065,959	1,077,779	972,606	105,173
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,065,959</u>	<u>1,077,779</u>	<u>972,606</u>	<u>105,173</u>
Excess (Deficiency) of Revenues over Expenditures	<u>330,041</u>	<u>318,221</u>	<u>508,698</u>	<u>190,477</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(154,591)	(129,105)	-	129,105
Transfers in	-	-	-	-
Transfers out	(175,450)	(189,116)	(188,589)	527
Proceeds from debt issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(330,041)</u>	<u>(318,221)</u>	<u>(188,589)</u>	<u>129,632</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	320,109	<u>\$ 320,109</u>
Cash Balances, Beginning of Year			<u>56,510</u>	
Cash Balances, End of Year			<u>\$ 376,619</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 320,109	
Adjustments to revenues			11,353	
Adjustments to expenditures			<u>(73,794)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 257,668</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
MUNICIPAL GAS TAX (STREETS) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable
				<u>(Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	160,000	160,000	149,706	(10,294)
Intergovernmental:				
Federal grants	-	-	-	-
State grants	780,106	780,106	62,809	(717,297)
Licenses and permits	-	-	-	-
Charges for services	120,000	127,500	204,064	76,564
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	292	292
Total Revenues	<u>1,060,106</u>	<u>1,067,606</u>	<u>416,871</u>	<u>(650,735)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,567,787	1,531,646	1,128,978	402,668
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	38,090	38,088	2
Interest	-	11,910	10,712	1,198
Bond issuance costs	-	-	-	-
Capital outlay	<u>425,095</u>	<u>414,376</u>	<u>54,605</u>	<u>359,771</u>
Total Expenditures	<u>1,992,882</u>	<u>1,996,022</u>	<u>1,232,383</u>	<u>763,639</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(932,776)</u>	<u>(928,416)</u>	<u>(815,512)</u>	<u>112,904</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(222,864)	(216,644)	-	216,644
Transfers in	1,260,000	1,260,000	1,008,735	(251,265)
Transfers out	(104,360)	(114,940)	(99,496)	15,444
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>932,776</u>	<u>928,416</u>	<u>909,239</u>	<u>(19,177)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	93,727	<u>\$ 93,727</u>
Cash Balances, Beginning of Year			<u>73,215</u>	
Cash Balances, End of Year			<u>\$ 166,942</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 93,727	
Adjustments to revenues			(2,726)	
Adjustments to expenditures			<u>29,176</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 120,177</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RETIRED SENIORS VOLUNTEER PROGRAM (RSVP) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	2,500	2,500	-
State grants	35,000	35,000	35,864	864
Licenses and permits	-	-	-	-
Charges for services	-	-	273	273
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>35,000</u>	<u>37,500</u>	<u>38,637</u>	<u>1,137</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	41,165	51,965	48,877	3,088
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>41,165</u>	<u>51,965</u>	<u>48,877</u>	<u>3,088</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,165)</u>	<u>(14,465)</u>	<u>(10,240)</u>	<u>4,225</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	1,000	-	(1,000)
Transfers in	6,165	13,465	12,107	(1,358)
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>6,165</u>	<u>14,465</u>	<u>12,107</u>	<u>(2,358)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	1,867	<u>\$ 1,867</u>
Cash Balances, Beginning of Year			<u>13,496</u>	
Cash Balances, End of Year			<u>\$ 15,363</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 1,867	
Adjustments to revenues			(1,160)	
Adjustments to expenditures			<u>(1,704)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (997)</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
DRIVING WHILE INTOXICATED (DWI) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	174,550	174,552	174,561	9
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>174,550</u>	<u>174,552</u>	<u>174,561</u>	<u>9</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	174,550	174,552	163,415	11,137
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>174,550</u>	<u>174,552</u>	<u>163,415</u>	<u>11,137</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>11,146</u>	<u>11,146</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	11,146	<u>\$ 11,146</u>
Cash Balances, Beginning of Year			457	
Cash Balances, End of Year			<u>\$ 11,603</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 11,146	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(9,845)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 1,301</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FORESTRY OPERATIONS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	331,552	228,501	195,861	(32,640)
State grants	60,432	30,032	13,821	(16,211)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	40,584	40,584
Total Revenues	<u>391,984</u>	<u>258,533</u>	<u>250,266</u>	<u>(8,267)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	413,552	378,552	244,346	134,206
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>413,552</u>	<u>378,552</u>	<u>244,346</u>	<u>134,206</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(21,568)</u>	<u>(120,019)</u>	<u>5,920</u>	<u>125,939</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	21,568	120,019	-	(120,019)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>21,568</u>	<u>120,019</u>	<u>-</u>	<u>(120,019)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	5,920	<u>\$ 5,920</u>
Cash Balances, Beginning of Year			<u>120,772</u>	
Cash Balances, End of Year			<u>\$ 126,692</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 5,920	
Adjustments to revenues			8,402	
Adjustments to expenditures			<u>12</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 14,334</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
TRAFFIC ENFORCEMENT FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	5,000	5,000	3,542	(1,458)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	5,000	5,000	3,542	(1,458)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	5,000	5,000	3,542	(1,458)
OTHER FINANCING SOURCES (USES)				
Designated cash	(5,000)	(2,400)	-	2,400
Transfers in	-	-	-	-
Transfers out	-	(2,600)	(2,600)	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	(5,000)	(5,000)	(2,600)	2,400
Net Change in Cash Balances	\$ -	\$ -	942	\$ 942
Cash Balances, Beginning of Year			1	
Cash Balances, End of Year			\$ 943	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 942	
Adjustments to revenues			-	
Adjustments to expenditures			2,600	
Net Change in Fund Balances (GAAP Basis)			\$ 3,542	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
IMPACT FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		Actual	VARIANCE
	Original	Final		Favorable
				(Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	8	2	(6)
Miscellaneous	-	-	-	-
Total Revenues	-	8	2	(6)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	46,060	46,055	5
Total Expenditures	-	46,060	46,055	5
Excess (Deficiency) of Revenues over Expenditures	-	(46,052)	(46,053)	(1)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	342,033	-	(342,033)
Transfers in	-	-	-	-
Transfers out	-	(295,981)	(295,980)	1
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	-	46,052	(295,980)	(342,032)
Net Change in Cash Balances	\$ -	\$ -	(342,033)	\$ (342,033)
Cash Balances, Beginning of Year			342,033	
Cash Balances, End of Year			\$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ (342,033)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			\$ (342,033)	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GROSS RECEIPTS TAX (GRT) REVENUE BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	155,000	155,000	155,000	-
Interest	107,370	107,370	107,363	7
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	262,370	262,370	262,363	7
Excess (Deficiency) of Revenues over Expenditures	(262,370)	(262,370)	(262,363)	7
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	262,370	262,370	262,363	(7)
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	262,370	262,370	262,363	(7)
Net Change in Cash Balances	\$ -	\$ -	-	\$ -
Cash Balances, Beginning of Year			-	
Cash Balances, End of Year			\$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
NEW MEXICO FINANCE AUTHORITY (NMFA) LOANS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable
				<u>(Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	5,000	5,000	2,648	(2,352)
Miscellaneous	-	-	-	-
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,648</u>	<u>(2,352)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	329,490	700,550	343,148	357,402
Interest	99,490	130,190	130,169	21
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>428,980</u>	<u>830,740</u>	<u>473,317</u>	<u>357,423</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(423,980)</u>	<u>(825,740)</u>	<u>(470,669)</u>	<u>355,071</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(5,000)	(8,880)	-	8,880
Transfers in	428,980	804,620	798,929	(5,691)
Transfers out	-	(2,613,560)	(371,060)	2,242,500
Proceeds from debt issuance	-	2,643,560	401,060	2,242,500
Net Other Financing Sources (Uses)	<u>423,980</u>	<u>825,740</u>	<u>828,929</u>	<u>4,488,189</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	358,260	<u>\$ 4,843,260</u>
Cash Balances, Beginning of Year			<u>446,665</u>	
Cash Balances, End of Year			<u>\$ 804,925</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 358,260	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 358,260</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL OBLIGATION (GO) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ 727,570	\$ 706,724	\$ (20,846)
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>727,570</u>	<u>706,724</u>	<u>(20,846)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	720,000	720,000	-
Interest	-	21,373	21,373	-
Bond issuance costs	-	102,697	102,502	195
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>844,070</u>	<u>843,875</u>	<u>195</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(116,500)</u>	<u>(137,151)</u>	<u>(20,651)</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(2,883,500)	(2,848,500)	35,000
Proceeds from debt issuance	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>-</u>	<u>116,500</u>	<u>151,500</u>	<u>35,000</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	14,349	<u>\$ 14,349</u>
Cash Balances, Beginning of Year			<u>-</u>	
Cash Balances, End of Year			<u>\$ 14,349</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 14,349	
Adjustments to revenues			(34,013)	
Adjustments to expenditures			<u>(35,000)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (54,664)</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	4,300,875	4,451,330	126,982	(4,324,348)
State grants	2,624,141	2,624,141	144,917	(2,479,224)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	1	1
Miscellaneous	42,165	42,165	310,052	267,887
Total Revenues	<u>6,967,181</u>	<u>7,117,636</u>	<u>581,952</u>	<u>(6,535,684)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,545,320	1,075,618	1,469,702
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	6,409,500	4,053,760	711,022	3,342,738
Total Expenditures	<u>6,409,500</u>	<u>6,599,080</u>	<u>1,786,640</u>	<u>4,812,440</u>
Excess (Deficiency) of Revenues over Expenditures	<u>557,681</u>	<u>518,556</u>	<u>(1,204,688)</u>	<u>(1,723,244)</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(557,681)	(601,758)	-	601,758
Transfers in	-	83,202	83,202	-
Transfers out	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Net Other Financing Sources (Uses)	<u>(557,681)</u>	<u>(518,556)</u>	<u>83,202</u>	<u>601,758</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	(1,121,486)	<u>\$ (1,121,486)</u>
Cash Balances, Beginning of Year			2,091,729	
Cash Balances, End of Year			<u>\$ 970,243</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ (1,121,486)	
Adjustments to revenues			641,489	
Adjustments to expenditures			<u>496,668</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 16,671</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL OBLIGATION (GO) BONDS CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	1,000	1,473	473
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,473</u>	<u>473</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	<u>-</u>	<u>1,757,345</u>	<u>(2,810)</u>	<u>1,760,155</u>
Total Expenditures	<u>-</u>	<u>1,757,345</u>	<u>(2,810)</u>	<u>1,760,155</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1,756,345)</u>	<u>4,283</u>	<u>1,760,628</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(1,067,155)	-	1,067,155
Transfers in	-	2,883,500	2,883,500	-
Transfers out	-	(60,000)	(254,738)	(194,738)
Proceeds from debt issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>-</u>	<u>1,756,345</u>	<u>2,628,762</u>	<u>872,417</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	2,633,045	<u>\$ 2,633,045</u>
Cash Balances, Beginning of Year			<u>22,374</u>	
Cash Balances, End of Year			<u>\$ 2,655,419</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 2,633,045	
Adjustments to revenues			-	
Adjustments to expenditures			<u>57,190</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 2,690,235</u>	

The accompanying notes are an integral part of these financial statements.

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**SCHEDULES OF REVENUES, EXPENSES, AND
CHANGES IN CASH BALANCES – BUDGET AND ACTUAL
PROPRIETARY FUNDS**

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RUIDOSO JOINT UTILITIES (RJU) ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 5,213,380	\$ 5,243,380	\$ 5,221,759	\$ (21,621)
Miscellaneous	<u>15,000</u>	<u>20,760</u>	<u>31,247</u>	<u>10,487</u>
Total Revenues	<u>5,228,380</u>	<u>5,264,140</u>	<u>5,253,006</u>	<u>(11,134)</u>
EXPENSES				
Current:				
Personnel services	2,322,031	2,324,531	1,845,551	478,980
Materials and supplies	449,250	586,589	334,653	251,936
Repairs and maintenance	768,300	690,372	543,043	147,329
Utilities	521,000	520,490	511,583	8,907
Contractual services	2,140,320	2,572,556	1,158,271	1,414,285
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	<u>10,023,850</u>	<u>10,466,825</u>	<u>5,634,047</u>	<u>4,832,778</u>
Total Expenditures	<u>16,224,751</u>	<u>17,161,363</u>	<u>10,027,148</u>	<u>7,134,215</u>
Excess (Deficiency) of Revenues over Expenses	<u>(10,996,371)</u>	<u>(11,897,223)</u>	<u>(4,774,142)</u>	<u>7,123,081</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	2,201,551	3,861,842	-	(3,861,842)
Transfers in	-	2,969,541	865,018	(2,104,523)
Transfers out	(311,050)	(1,632,870)	(1,546,166)	86,704
Gross receipts taxes	2,500,000	2,500,000	2,510,680	10,680
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	1,660,500	4,447,040	3,339,540	(1,107,500)
Investment earnings	4,500	10,300	60,227	49,927
Proceeds from debt issuance	5,199,500	-	-	-
Debt service:				
Principal	(185,000)	(185,000)	(185,000)	-
Interest	(73,630)	(73,630)	(73,626)	(4)
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	<u>10,996,371</u>	<u>11,897,223</u>	<u>4,970,673</u>	<u>(6,926,558)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	196,531	<u>\$ 196,523</u>
Cash Balances, Beginning of Year			<u>8,498,695</u>	
Cash Balances, End of Year			<u>\$ 8,695,226</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 196,531	
Adjustments to revenues			461,668	
Adjustments to expenditures			<u>4,922,260</u>	
Net Change in Net Position (GAAP Basis)			<u>\$ 5,580,459</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
AIRPORT ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable
				(Unfavorable)
REVENUES				
Charges for services	\$ 1,003,650	\$ 1,052,150	\$ 1,054,537	\$ 2,387
Miscellaneous	191,060	192,560	209,357	16,797
Total Revenues	<u>1,194,710</u>	<u>1,244,710</u>	<u>1,263,894</u>	<u>19,184</u>
EXPENSES				
Current:				
Personnel services	517,902	517,902	500,481	17,421
Materials and supplies	776,500	784,950	784,297	653
Repairs and maintenance	104,700	105,750	105,493	257
Utilities	58,500	71,150	66,942	4,208
Contractual services	47,150	21,945	20,741	1,204
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	188,780	239,510	52,183	187,327
Total Expenditures	<u>1,693,532</u>	<u>1,741,207</u>	<u>1,530,137</u>	<u>211,070</u>
Excess (Deficiency) of Revenues over Expenses	<u>(498,822)</u>	<u>(496,497)</u>	<u>(266,243)</u>	<u>230,254</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(43,172)	-	43,172
Transfers in	324,720	324,720	207,024	(117,696)
Transfers out	-	-	-	-
Gross receipts taxes	-	-	-	-
Intergovernmental:				-
Federal grants	57,000	46,604	46,604	-
State grants	117,102	168,345	137,331	(31,014)
Investment earnings	-	-	261	261
Proceeds from debt issuance	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	<u>498,822</u>	<u>496,497</u>	<u>391,220</u>	<u>(105,277)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	124,977	<u>\$ 124,977</u>
Cash Balances, Beginning of Year			<u>343,158</u>	
Cash Balances, End of Year			<u>\$ 468,135</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 124,977	
Adjustments to revenues			(46,212)	
Adjustments to expenditures			<u>(456,807)</u>	
Net Change in Net Position (GAAP Basis)			<u>\$ (378,042)</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		Actual	VARIANCE
	Original	Final		Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 2,775,000	\$ 2,775,000	\$ 2,621,329	\$ (153,671)
Miscellaneous	8,000	8,000	2,699	(5,301)
Total Revenues	2,783,000	2,783,000	2,624,028	(158,972)
EXPENSES				
Current:				
Personnel services	1,266,877	1,266,877	1,246,082	20,795
Materials and supplies	289,065	269,665	213,723	55,942
Repairs and maintenance	423,620	492,120	427,876	64,244
Utilities	77,400	82,180	65,156	17,024
Contractual services	824,480	702,050	629,583	72,467
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	270,000	270,000	-	270,000
Total Expenditures	3,151,442	3,082,892	2,582,420	500,472
Excess (Deficiency) of Revenues over Expenses	(368,442)	(299,892)	41,608	341,500
OTHER FINANCING SOURCES (USES)				
Designated cash	108,966	115,027	-	(115,027)
Transfers in	278,422	278,422	270,184	(8,238)
Transfers out	(73,330)	(147,941)	(147,941)	-
Gross receipts taxes	150,000	150,000	244,635	94,635
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Investment earnings	-	-	988	988
Proceeds from debt issuance	-	-	-	-
Debt service:				
Principal	(95,616)	(92,916)	(92,791)	(125)
Interest	-	(2,700)	(2,810)	110
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	368,442	299,892	272,265	(27,657)
Net Change in Cash Balances	\$ -	\$ -	313,873	\$ 313,843
Cash Balances, Beginning of Year			853,153	
Cash Balances, End of Year			\$ 1,167,026	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 313,873	
Adjustments to revenues			155,446	
Adjustments to expenditures			(339,608)	
Net Change in Net Position (GAAP Basis)			\$ 129,711	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
REGIONAL WASTEWATER TREATMENT PLANT (RWWTP) ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		Favorable
				<u>(Unfavorable)</u>
REVENUES				
Charges for services	\$ 3,400,000	\$ 3,400,000	\$ 3,713,313	\$ 313,313
Miscellaneous	<u>300,500</u>	<u>300,500</u>	<u>392,084</u>	<u>91,584</u>
Total Revenues	<u>3,700,500</u>	<u>3,700,500</u>	<u>4,105,397</u>	<u>404,897</u>
EXPENSES				
Current:				
Personnel services	750,060	750,060	694,985	55,075
Materials and supplies	449,000	350,642	167,316	183,326
Repairs and maintenance	494,800	411,800	191,614	220,186
Utilities	603,000	603,000	530,320	72,680
Contractual services	613,284	554,592	381,693	172,899
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	<u>350,000</u>	<u>530,077</u>	<u>-</u>	<u>530,077</u>
Total Expenditures	<u>3,260,144</u>	<u>3,200,171</u>	<u>1,965,928</u>	<u>1,234,243</u>
Excess (Deficiency) of Revenues over Expenses	<u>440,356</u>	<u>500,329</u>	<u>2,139,469</u>	<u>1,639,140</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	(550,806)	(257,860)	-	257,860
Transfers in	-	-	-	-
Transfers out	(240,050)	(595,766)	(529,942)	65,824
Gross receipts taxes	1,100,000	1,100,000	1,092,514	(7,486)
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Investment earnings	500	500	33,896	33,396
Proceeds from debt issuance	-	-	-	-
Debt service:				
Principal	(750,000)	(310,000)	(310,000)	-
Interest	-	(437,203)	(436,992)	211
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(440,356)</u>	<u>(500,329)</u>	<u>(150,524)</u>	<u>349,805</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	1,988,945	<u>\$ 1,988,945</u>
Cash Balances, Beginning of Year			<u>5,656,301</u>	
Cash Balances, End of Year			<u>\$ 7,645,246</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 1,988,945	
Adjustments to revenues			4,132	
Adjustments to expenditures			<u>(151,851)</u>	
Net Change in Net Position (GAAP Basis)			<u>\$ 1,841,226</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RISK MANAGEMENT INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>VARIANCE</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Charges for services	\$ 888,490	\$ 888,490	\$ 885,692	\$ (2,798)
Miscellaneous	-	5,200	5,237	37
Total Revenues	<u>888,490</u>	<u>893,690</u>	<u>890,929</u>	<u>(2,761)</u>
EXPENSES				
Current:				
Personnel services	-	-	-	-
Materials and supplies	-	54,180	39,956	14,224
Repairs and maintenance	-	-	-	-
Utilities	-	-	-	-
Contractual services	888,490	888,490	738,513	149,977
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	-	209,916	193,430	16,486
Total Expenditures	<u>888,490</u>	<u>1,152,586</u>	<u>971,899</u>	<u>180,687</u>
Excess (Deficiency) of Revenues over Expenses	<u>-</u>	<u>(258,896)</u>	<u>(80,970)</u>	<u>177,926</u>
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(5,144)	-	5,144
Transfers in	-	164,040	164,035	(5)
Transfers out	-	-	-	-
Gross receipts taxes	-	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	-	100,000	100,000	-
Investment earnings	-	-	-	-
Proceeds from debt issuance	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>258,896</u>	<u>264,035</u>	<u>5,139</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	183,065	<u>\$ 183,065</u>
Cash Balances, Beginning of Year			-	
Cash Balances, End of Year			<u>\$ 183,065</u>	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			\$ 183,065	
Adjustments to revenues			-	
Adjustments to expenditures			<u>141,897</u>	
Net Change in Net Position (GAAP Basis)			<u>\$ 324,962</u>	

The accompanying notes are an integral part of these financial statements.

NEW MEXICO STATE AUDITOR DISCLOSURES

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL
JUNE 30, 2015

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
WELLS FARGO, NEW MEXICO				
New General Operations	Checking	\$ 3,752,891	\$ (122,921)	\$ 3,629,970
FEMA Fund	Checking	970,243	-	970,243
Village of Ruidoso	Savings	2,998,813	-	2,998,813
Village of Ruidoso - RWWTP	Savings	4,351,828	-	4,351,828
Bail Bond Trust Fund	Checking	2,019	465	2,484
Municipality of Ruidoso		12,075,794	<u>\$ (122,456)</u>	<u>\$ 11,953,338</u>
Less: FDIC coverage		<u>250,000</u>		
Uninsured Public Funds		11,825,794		
Less: Pledged collateral held by the pledging financial institution		<u>(12,870,115)</u>		
Over insured and over collateralized		<u>\$ (1,044,321)</u>		
Collateral requirement - 50% of uninsured funds		\$ 5,912,897		
Less: Pledged security		<u>12,870,115</u>		
Over Collateral Requirement		<u>\$ (6,957,218)</u>		

Pledge Description	Maturity	CUSIP	Fair Market Value	Location of Safekeeper
FNMA FNMS 3.500%	02/01/2026	3138A8EL6	\$ 1,278,803	
FNMA FNMS 3.000%	11/01/2026	3138A93E2	307,441	
FNMA FNMS 4.000%	07/01/2041	3138AMUC7	121,309	
FNMA FNMS 3.000%	12/01/2026	3138E2NF8	187,847	
FNMA FNMS 3.000%	02/01/2043	3138NY4U6	3,886,297	
FNMA FNMS 3.000%	03/01/2043	3138W4Z61	293,664	
FNMA FNMS 3.000%	03/01/2043	3138W64S2	287,925	Bank of New York Mellon,
FNMA FNMS 3.500%	07/01/2043	3138WW6N4	275,022	New York, NY
FNMA FNMS 3.500%	09/01/2043	3138WZCT7	155,755	
FNMA FNMS 3.500%	07/01/2043	3138X0ZA9	124,905	
FNMA FNRM 2.500%	06/25/2021	31397UYH6	5,666,020	
FNMA FNMS 6.000%	07/01/2037	31412XNY6	215,465	
FNMS 3.500%	04/01/2032	31418AEB0	51,415	
FNMA FNMS 3.500%	03/01/2034	31418BA71	18,247	
			<u>\$ 12,870,115</u>	

WELLS FARGO BROKERAGE*

General Operations	Money Market	\$ 146,411	\$ -	\$ 146,411
General Operations**	CDs	11,498,986	-	11,498,986
General Operations	Treasury Notes	4,479,241	-	4,479,241
Municipality of Ruidoso		<u>\$ 16,124,638</u>	<u>\$ -</u>	<u>\$ 16,124,638</u>

BANK OF ALBUQUERQUE - NMFA*

Village of Ruidoso - Street Equipment Loan	Cash Deposit	\$ 111,867	\$ -	\$ 111,867
Village of Ruidoso - Fire Truck Loan	Cash Deposit	50,210	-	50,210
Village of Ruidoso - Convention Center Loan	Cash Deposit	115,931	-	115,931
Village of Ruidoso - Police Building Loan	Cash Deposit	168,626	-	168,626
Village of Ruidoso - Grindstone Dam Construction	Cash Deposit	354,231	-	354,231
Village of Ruidoso - Grindstone Dam Engineering	Cash Deposit	268,073	-	268,073
Municipality of Ruidoso		<u>\$ 1,068,938</u>	<u>\$ -</u>	<u>\$ 1,068,938</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL
JUNE 30, 2015

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
NEW MEXICO STATE TREASURER*				
Village of Ruidoso	LGIP	\$ 70,449	\$ -	\$ 70,449
TOTAL FINANCIAL INSTITUTIONS				
Village of Ruidoso	Checking	\$ 4,725,153	\$ (122,456)	\$ 4,602,697
Village of Ruidoso	Savings	7,350,641	-	7,350,641
Village of Ruidoso	CDs	11,498,986	-	11,498,986
Village of Ruidoso	Money Market	146,411	-	146,411
Village of Ruidoso	Treasury Notes	4,479,241	-	4,479,241
Village of Ruidoso	Cash Deposit	1,068,938	-	1,068,938
Village of Ruidoso	LGIP	70,449	-	70,449
Municipality of Ruidoso		29,339,819	\$ (122,456)	\$ 29,217,363
Less: Wells Fargo Brokerage		16,124,638		
Less: NMFA		1,068,938		
Less: NM State Treasurer		70,449		
		12,075,794		
Less: FDIC coverage		250,000		
Uninsured Public Funds		11,825,794		
Less: Pledged collateral held by the pledging financial institution		(12,870,115)		
Over insured and over collateralized		\$ (1,044,321)		
Collateral requirement - 50% of uninsured funds		\$ 5,912,897		
Less: Pledged security		12,870,115		
Over Collateral Requirement		\$ (6,957,218)		

* Amounts represent accounts that do not need pledging per State statues. See Note 4.A.

**The Village holds forty-two (42) CDs with corresponding FDIC insurance of \$250,000 per CD. Therefore, these balances are insured for \$10,500,000.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
JUNE 30, 2015

Participants	Responsible Party	Description
Village of Ruidoso and Lincoln County	Both	Provide mutual aid for fire response
Village of Ruidoso's Police Department and New Mexico Law Enforcement Professional Standards Council	Both	Assist the agency toward the goal of accredited status through compliance with the standards adopted by said council
Village of Ruidoso and New Mexico Department of Public Safety	Both	Provide police services for Village residents and insure that Police Officers have powers to enforce state laws and act with the same authority as sheriffs and constables
Village of Ruidoso's Sierra Blanca Regional Airport and the Bureau of Land Management	Both	Allow public land users to ingress and egress the Airport's East and South approach corridors
Village of Ruidoso and the New Mexico Department of Tourism	Both	Creates a partnership for the use of space at the Billy the Kid Byway Visitors' Center
Village of Ruidoso and the United States Department of Agriculture Forestry Service		Provide a framework for cooperation upon which the VOR and the forest service may jointly plan and accomplish mutually beneficial projects and activities
Village of Ruidoso and the New Mexico Law Enforcement Professional Standards Council	Both	Provide the Village with manuals, forms, and technical assistance necessary to assist the Village in the accreditation effort
Village of Ruidoso and the New Mexico Office of the State Engineer	Both	Identify and track water discovered through a leak detection program
Village of Ruidoso and City of Ruidoso Downs	Village of Ruidoso	Operate the Regional Wastewater Treatment Plant
Village of Ruidoso and City of Ruidoso Downs	City of Ruidoso Downs	Operate the Lincoln County Transit System
Village of Ruidoso and City of Ruidoso Downs	Both	Provide mutual aid for fire response

The accompanying notes are an integral part of these financial statements.

<u>Begin Date</u>	<u>End Date</u>	<u>Estimated Amount of Project</u>	<u>Amount Contributed in Fiscal year</u>	<u>Audit Responsibility</u>	<u>Fiscal Agent</u>	<u>Name of Governmental Agency Reporting Revenue & Expense</u>
02/23/2010	Indefinitely	N/A	N/A	None	None	Both
10/01/2009	Until Complete	N/A	N/A	None	None	Both
07/01/2010	Indefinitely	N/A	N/A	Both	None	Both
12/01/2011	12/01/16	N/A	N/A	None	None	Both
02/28/2012	02/28/16	N/A	N/A	Both	None	Both
06/04/2008	08/04/13	N/A	N/A	None	None	Both
09/01/2009	Indefinitely	N/A	N/A	None	None	Both
04/28/2009	Indefinitely	N/A	N/A	None	None	Both
07/03/1974	Indefinitely	N/A	\$11,651,913	Village of Ruidoso	Village of Ruidoso	Village of Ruidoso
07/01/2009	Indefinitely	N/A	\$28,000	City of Ruidoso Downs	City of Ruidoso Downs	City of Ruidoso Downs
06/14/2011	Indefinitely	N/A	N/A	None	None	Both

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
FOR THE YEAR ENDED JUNE 30, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, for ALL (Vendor(s) that responded	In-State/Out-of-State Vendor? (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's Preference? (Y or N) For Federal Funds answer	Brief Description of the Scope of Work
2015-001B	RFB	Renegade Construction, LLC.	\$ 302,500	N/A	Renegade Construction, LLC., PO Box 830, Fairacres, NM 88033 Smithco Construction, PO Box 45, Caballo, NM 87931 Gallardo Construction, 748 West Palms, Las Cruces, NM 88007	In-State	No	Alto/Grindstone Interconnect
2015-002B	RFB	James, Cooke, & Hobson	\$ 165,300	N/A	James, Cooke, & Hobson, 3800 Doniphan, El Paso, TX 79922	Out-of-State	No	Water Booster Station Alto Grindstone Interconnect
2015-003B	RFB	Southwest Paving & Grading, Inc.	\$ 286,000	N/A	Southwest Paving & Grading, Inc., 321 Granite Drive, Ruidoso, NM 88345 Renegade Construction, LLC., PO Box 830, Fairacres, NM 88033 Apple Mountain Construction, 106 Camino Real, Estancia, NM 87016 Mesa Verde, 396 La Luz Gate Rd, Alamogordo, NM 88310 CBKN, 16 Gringo Gulch, Placitas, NM 87043	In-State	N/A	Alto Duck Pond Dredging
2015-004B	RFB	Rush Truck Centers	\$ 269,900	N/A	Rush Truck Centers, 6521 Hanover Rd, Albuquerque, NM 87121 Summitt Truck Group, 1623 Aspen Ave, Albuquerque, NM 87104 Hell of Texas, 1440 South Loop 12, Irving, TX 75060	In-State	No	Refuse Truck
2015-006B	RFB	C.J. Mead	\$ 2,992,726	N/A	C.J. Mead, PO Box 952, Edgewood, NM 87015 Morrow Enterprises, Inc., PO Box 1747, Las Cruces, NM 88004 Mountain States Pipe & Supply, 111 West Las Vegas, Colorado Springs, CO 80903	In-State	N/A	Water Meter Replacement Project
2015-008B	RFB	Western Emulsions, Inc.	Fixed price based on volume	N/A	Western Emulsions, Inc., 49 East Martin St, Roswell, NM 88203	In-State	No	Specified Oils & Emulsions
2015-009B	RFB	Yellow Jacket Drilling Services, LLC	\$ 1,117,798	N/A	Yellow Jacket Drilling Services, LLC, PO Box 801, Gilbert, AZ 85299 KD Huey Co., 2130 Hwy 48, Capitan, NM 88316	Out-of-State	No	River Well B Replacement
2015-010B	RFB	H&E Equipment Services	\$ 203,900	N/A	H&E Equipment Services, 4010 South 22nd St, Phoenix, AZ 85040 MCT Industries, 7451 Pan American Freeway NE, Albuquerque, NM 87109	Out-of-State	No	Airport Sweeper
2015-011B	RFB	Cherokee Enterprises	\$ 505,461	N/A	Cherokee Enterprises, 2113 Eddy Drive, Alamogordo, NM 88311 File Construction, 119 Industrial Ave NE, Albuquerque, NM 87107 Renegade Construction, LLC., PO Box 830, Fairacres, NM 88033 Century Club Construction, 8201 Golf Course Rd NW #D3-295, Albuquerque, NM 87125 NM Underground Utilities, 6201 Industry Way SE, Albuquerque, NM 87105 Ducross Construction, PO Box 13230, Las Cruces, NM 88007	In-State	No	Swallow Waterline & Booster Station Replacement

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
FOR THE YEAR ENDED JUNE 30, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of		Name and Physical Address per the procurement documentation, for ALL (Vendor(s) that responded	In-State/Out-of-State Vendor? (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's Preference? (Y or N) For Federal Funds answer	Brief Description of the Scope of Work
			Awarded Contract	Amended Contract				
2015-012B	RFB	File Construction	\$ 373,951	N/A	File Construction 119 Industrial Ave NE, Albuquerque, NM 87107 Renegade Construction, LLC. PO Box 830, Fairacres, NM 88033 Century Club Construction 8201 Golf Course Rd NW #D3-295, Albuquerque, NM 87125 NM Underground Utilities 6201 Industry Way SE, Albuquerque, NM 87105 Ducross Construction PO Box 13230, Las Cruces, NM 88007	In-State	No	Phase 1 Waterline Replacement
2015-001P	RFP	Ruidoso Valley Chamber of Commerce	\$ 110,000	N/A	Ruidoso Valley Chamber of Commerce 720 Suddereth Dr, Ruidoso, NM 88345	In-State	No	Operation of the Visitors Center
2015-002P	RFP	Kelley, Gina L.	\$ 63,000	\$ 68,000	Gina Kelley, 730 Center Street, Ruidoso, NM 88345 Becky Brooks, 720 Suddereth Dr, Ruidoso, NM 88345	In-State	No	Tourism Director
2015-003P	RFP	Site Southwest, LLC.	\$ 40,000	N/A	Site Southwest, LLC., 121 Tijeras NE, Albuquerque, NM 87102 United Healthcare, 9800 Healthcare Lane, Minnetoka, MN 55343	In-State	No	Affordable Housing Plan
2015-004P	RFP	Zia Engineering & Environmental	Fixed price based on task	N/A	Zia Engineering & Environmental, 755 S. Teishor Blvd #F-201, Las Cruces, NM 88011	In-State	N/A	Engineering for Bridge Replacement
2015-005P	RFP	Montgomery & Andrews	Fixed price based on task	N/A	Montgomery & Andrews, PO Box 2307, Santa Fe, NM 87504	In-State	No	RWWTP Attorney
2015-006P	RFP	Target Media	\$ 38,000	N/A	Target Media, 1218 Gruene Vine Ct, New Braunfels, TX 78130 Wilson Brinkley Advertising, 250 Coto Ct, Las Cruces, NM 88005	Out-of-State	No	Media Planner/ Media Buyer
2015-007P	RFP	KSA Engineering, Inc.	Fixed Price Agreement based on task	N/A	KSA Engineering, Inc., 140 E. Tyler St #600, Longview, TX 75601 Park Hill, Smith, & Cooper, Inc., 4522 85th St, Lubbock, TX 79423 WH Pacific, Inc., 6501 Americas Pkwy NE #400, Albuquerque, NM 87110 Huiitt Zollers, Inc., 6501 Americas Pkwy NE, Albuquerque, NM 87109 Molzen Corbin, 2701 Miles Rd SE, Albuquerque, NM 87106 ARmstrong Consultants, Inc., 861 Rood Ave, Grand Junction, CO 81501 Delta Airport Consultants, Inc., 7804 Pan American Freeway NE #4, Albuquerque, NM 87109	In-State	No	Airport Engineer

NOTE: 2015-005B was rejected due to non-responsiveness and over budget and rebid under 2015-009B and 2015-007B was cancelled.

The accompanying notes are an integral part of these financial statements.

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SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S 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

To the Village Council
Village of Ruidoso
and Mr. Tim Keller
New Mexico State Auditor

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 of the Village of Ruidoso ("Village"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated December 14, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

Village's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Albuquerque, New Mexico
December 14, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Village Council
Village of Ruidoso
and Mr. Tim Keller
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Village of Ruidoso's ("Village") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2015. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Each Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to

determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Albuquerque, New Mexico
December 14, 2015

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CDFA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through the State of New Mexico Homeland Security Department</i>			
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1783-DR-NM	\$ 442,054
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE			
<i>Passed through the State of New Mexico Energy, Minerals, and Natural Resources Department</i>			
Cooperative Forestry Assistance	10.664	13-DG-11031600-070	195,861
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
<i>Passed through the State of New Mexico Aging & Long-term Services Department</i>			
Retired and Senior Volunteer Program	94.002	11SRWNM004	2,500
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION			
<i>Passed through the State of New Mexico Department of Transportation</i>			
Recreational Trails Program	20.219	SB-2009-NM-55493	66,732
U.S. DEPARTMENT OF TRANSPORTATION/FEDERAL AVIATION ADMINISTRATION (FAA)			
<i>Passed through the State of New Mexico Department of Transportation Aviation Division</i>			
Airport Improvement Program			46,604
ENVIRONMENTAL PROTECTION AGENCY/OFFICE OF WATER			
<i>Passed through New Mexico Finance Authority</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	2895-DW	20,822
U.S. DEPARTMENT OF JUSTICE/BUREAU OF JUSTICE ASSISTANCE			
<i>Passed through the New Mexico Department of Public Safety</i>			
Bulletproof Vest Partnership	16.607	2012 BVP	<u>9,120</u>
Total Expenditures of Federal Awards			<u>\$ 783,693</u>

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Village of Ruidoso and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts, presented in, or used in the preparation of the financial statements.

2. Subrecipients

The Village of Ruidoso did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Federal Expenditures to Financial Statements

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 783,693
Total expenditures funded by other sources	<u>28,852,557</u>
Total expenditures and expenses per page 16	<u>\$ 29,636,250</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 VILLAGE OF RUIDOSO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements

Noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of Auditor’s Report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
97.036	Disaster Grants - Public Assistance (Presidentially Declared)

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes No

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings – Financial Statement Audit

None

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

None

Section IV – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

2015-001 Travel and Per Diem (Other Matters)

CONDITION: During our testing over 15 travel and per diem expenditures it was noted that one travel and per diem expenditure made through the procurement card in the amount of \$565 was not signed by the employee (cardholder) or manager. It was further noted that two additional travel and per diem expenditures in the total amount of \$629 were not a reconciled upon return of the travel which asserts that the travel was true and correct in all respects. Furthermore, of those two travel and per diem disbursements, we were unable to determine whether the travel expenditures related to the requested travel.

CRITERIA: Village internal policies require that procurement card statements be signed by the cardholder and department manager attesting that the charges made on the procurement card are for official business of the Village. Furthermore, the Village's internal policies require that the Travel Approval and Reimbursement Request form be reconciled and the employee traveling sign attesting to the travel expenditures.

EFFECT: Without ensuring adequate control over procurement cards prior to disbursement to the procurement card vendor and without ensuring the traveling employee fully completes the travel and per diem reconciliation the Village has additional risk that expenditures were charged in variation of their intended purpose.

CAUSE: The controls currently in place at the Village did not catch the errors made in the selected travel and per diem disbursements.

RECOMMENDATION: It is recommended that the Village evaluate their current control structure over travel and per diem disbursements to ensure that similar errors are detected and corrected prior to disbursement to the procurement card vendor and/or completion of the travel and per diem disbursement.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

**Section IV – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978
(continued)**

2015-001 Travel and Per Diem (Other Matters) (Continued)

VILLAGE RESPONSE AND PLANNED CORRECTIVE ACTION PLAN: The Village has communicated with the department director and office manager the policies and procedures over travel. Finance will provide travel training to all departments to refresh individuals by the end of March 2016. As of the report date, Finance has also changed its controls over the process of travel advances and reimbursements and purchasing cards in order to catch any errors before public funds are disbursed.

STATUS OF PRIOR YEAR FINDINGS

2005-007	Regional Wastewater Treatment Plant	Resolved
2013-001	Internal Controls over Disbursements	Resolved
2013-003	Administrative Rights - IT	Resolved
2014-001	Cash Receipts	Resolved

**STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Section V – Other Disclosures

Exit Conference

The contents of this report were discussed on December 14, 2015. The following individuals were in attendance.

VILLAGE OF RUIDOSO

Lynn Crawford, Mayor Pro Tem
Debi Lee, Village Manager
Ron Sena, Deputy Village Manager
Judi Starkovich, CPA, Finance Director
Karen Gutierrez, Assistant Finance Director

AXIOM, CPAS

Chris Garner, CPA, Partner

Prepared Financial Statements

The financial statements presented in this report were prepared by the Village of Ruidoso.