

**STATE OF NEW MEXICO
CITY OF RUIDOSO DOWNS
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2015**

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

**STATE OF NEW MEXICO
CITY OF RUIDOSO DOWNS
OFFICIAL ROSTER
June 30, 2015**

COUNCIL:

GARY L. WILLIAMS.....	Mayor
MARGIE MORALES.....	Councilor
JUDY MILLER.	Councilor
RON RITTER.	Councilor
L. DALE PERRY.....	Councilor

ADMINISTRATION

CAROL VIRDEN	City Clerk/Treasurer
MARY CASTANEDA.....	Finance Director

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City of Ruidoso Downs
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Financial Section

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INDEPENDENT AUDITORS' REPORT

Mr. Tim Keller , State Auditor, and
The Honorable Mayor and City Council
City of Ruidoso Downs
Ruidoso Downs, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund of City of Ruidoso Downs (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise City of Ruidoso Downs' basic financial statements as listed in the table of contents. We also have audited the financial statements of each of City of Ruidoso Downs's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents. We did not audit the 2014 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Public Employee Retirement Association (PERA), the administrator of the cost sharing pension plan for the City. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City, is based solely on the report of the other auditors.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to City of Ruidoso Downs'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 City of Ruidoso Downs'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, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Ruidoso Downs, as of June 30, 2015, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of City of Ruidoso Downs as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 15-22, the *Schedule of the Proportionate Share of the Net Pension Liability* on pages 105-107, the *Schedule of Contributions* on pages 108-110, and the notes to the required supplementary information page 111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

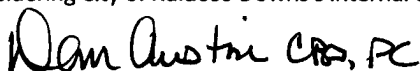
Other Information

Our audit was conducted for the purpose of forming opinions on City of Ruidoso Downs's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of the City of Ruidoso Downs'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 City of Ruidoso Downs's internal control over financial reporting and compliance.



December 17, 2015
Ruidoso, New Mexico

**STATE OF NEW MEXICO
CITY OF RUIDOSO DOWNS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

As management of the City of Ruidoso Downs, we offer readers of the City of Ruidoso Downs financial statements this narrative overview and analysis of the financial activities of the City of Ruidoso Downs for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Ruidoso Downs and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City of Ruidoso Downs exceeded its liabilities at the close of the most recent fiscal year by \$22,502,089 (*net position*). Of this amount, \$(-591,759) (*unrestricted*) is obligated to citizens and creditors.
- The government's total net position increased by \$703,368 during the fiscal year. The majority of this increase is due to an increase in revenue from taxes and state grants.
- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$ 2,954,854. Of this total, \$1,072,668 is restricted for special Revenues and \$79,414 is restricted for debt service funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Ruidoso Downs's basic financial statements. The City of Ruidoso Downs's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 City of Ruidoso Downs's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Ruidoso Downs's assets and liabilities, with the difference between the two 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 City of Ruidoso Downs is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Ruidoso Downs 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 City of Ruidoso Downs include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include Sewer-Water and Solid Waste.

The government-wide financial statements can be found at page 14-15.

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 City of Ruidoso Downs, 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 City of Ruidoso Downs can be divided into two categories: governmental funds and proprietary 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 determining what financial resources are available in the near future to finance the City's programs.

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 City of Ruidoso Downs maintains twelve individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Museum Fund, all of which are considered to be major funds. Data from the other eleven 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 City of Ruidoso Downs adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund and Museum Special Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits 14 through 24 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains six types of proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to 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 25-41 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 43-65 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements -and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ruidoso Downs, assets exceeded liabilities by \$22,502,089 at the close of the current fiscal year.

The largest portion of the City of Ruidoso Downs's net position represents the City's investment of \$14,828,853 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. The City of Ruidoso Downs uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Ruidoso Downs's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position
For the Year Ended JUNE 30, 2015 and 2014

	Government Activities		Business-Type Activities		Total	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014
Current assets	\$ 3,118,050	\$ 2,823,211	\$ 2,348,549	\$ 2,266,781	\$ 5,466,599	\$ 5,089,992
Capital assets	10,659,006	10,351,735	10,589,729	10,524,945	21,248,735	20,876,680
Other noncurrent assets	180,768	-	-	75,619	180,768	75,619
Total assets	\$ 13,957,824	\$ 13,174,946	\$ 12,938,278	\$ 12,867,345	\$ 26,896,102	\$ 26,042,291
Liabilities						
Current liabilities	\$ 234,668	\$ 208,498	\$ 87,785	\$ 90,416	\$ 322,453	\$ 298,914
Noncurrent liabilities	2,871,537	1,112,000	455,753	-	3,327,290	1,112,000
Deferred Inflows	744,270	-	-	403,296	744,270	403,296
Total liabilities	3,850,475	1,320,498	543,538	493,712	4,394,013	1,814,210
Net Position						
Invested in capital assets, net of						
related debt	9,547,006	10,378,797	5,281,847	5,366,932	14,828,853	15,745,729
Restricted	1,152,102	991,816	472,650	422,548	1,624,752	1,414,364
Unrestricted	(591,759)	483,835	6,640,243	6,584,153	6,048,484	7,067,988
Total net position	10,107,349	11,854,448	12,394,740	12,373,633	22,502,089	24,228,081
Total Liabilities and net assets	\$ 13,957,824	\$ 13,174,946	\$ 12,938,278	\$ 12,867,345	\$ 26,896,102	\$ 26,042,291

A portion of the City of Ruidoso Downs's net position represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

At the end of the current fiscal year, the City of Ruidoso Downs is able to report positive balances in all of the categories of net position, for the government as a whole as well as for the business-type activities.

The City of Ruidoso Downs's net position increased by \$703,638 during the current fiscal year. This increase is explained in the government and business-type activities discussion below and is primarily a result of an increase in taxes and in state grants and the related expenditures and capital assets

Changes in Net Position
For the Year Ended June 30, 2015 and 2014

	Government Activities		Business-Type Activities		Total	
	6/30/2015	6/30/2014	6/30/2015	6/30/2014	6/30/2015	6/30/2014
Revenues:						
Program revenues:						
Charges for services	\$ 72,296	\$ 228,532	\$ 915,115	\$ 1,028,815	\$ 987,411	\$ 1,257,347
Operating grants	1,840,328	2,108,918	126,350	83,717	1,966,678	2,192,635
Capital grants	415,848	-	-	-	415,848	-
General revenues:						
Taxes	1,978,643	2,081,115	561,389	576,594	2,540,032	2,657,709
Contributions received	-	125,000	-	-	-	125,000
Other	-	14,131	-	-	-	14,131
Total revenues	4,307,115	4,557,696	1,602,854	1,689,126	5,909,969	6,246,822
Expenses:						
General Government	\$ 1,225,396	\$ 1,672,609	\$ -	\$ -	\$ 1,225,396	\$ 1,672,609
Public safety	1,252,180	1,472,077	-	-	1,252,180	1,472,077
Highways and Streets	493,094	558,592	-	-	493,094	558,592
Culture and recreation	610,917	654,350	-	-	610,917	654,350
Other	72,931	74,443	-	-	72,931	74,443
Interest on Long-term debt	43,249	45,008	14,674	-	57,923	45,008
Joint water and sewer	-	-	1,297,835	1,265,991	1,297,835	1,265,991
Sanitation	-	-	196,325	266,134	196,325	266,134
Total Expense	3,697,767	4,477,079	1,508,834	1,532,125	5,206,601	6,009,204
Net Position						
Increase in net position before transfers	609,348	80,617	94,020	157,001	703,368	237,618
Transfers	72,913	45,000	(72,913)	(45,000)	-	-
Restatements	(2,429,360)	(23,891)	-	-	(2,429,360)	(23,891)
Net Position-beginning	11,854,448	11,752,722	12,373,633	12,261,632	24,228,081	24,014,354
Net Position -ending	<u>\$ 10,107,349</u>	<u>\$ 11,854,448</u>	<u>\$ 12,394,740</u>	<u>\$ 12,373,633</u>	<u>\$ 22,502,089</u>	<u>\$ 24,228,081</u>

Business-type activities: Business-type activities increased the City's net position by \$94,020 before transfers. The key element of this increase was the due to expenditure controls and increased operating grants..

The City restated its beginning net position due to the adoption of GASB 68 relating to pension liabilities. See note for further explanation.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City of Ruidoso Downs' *governmental finds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Ruidoso Downs's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

Governmental activities: Governmental activities increased the City of Ruidoso Downs's net position by \$246,762. The key element of this increase was revenue exceeded expenses due to an increase in taxes and in state grants and a reduction in capital outlay and the effect of the net pension liability requirements.

Budget Administration

Budgets are monitor for legal spending limits on all funds. During the current year the budgeted expenditures for the General Fund was \$3,268,018, Actual expenditures was \$2,906,040 resulting in a positive variance of \$361,978. Budget schedules are presented for all funds in this report.

Capital Asset and Debt Administration

Capital assets. The City of Ruidoso Downs's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$16,413,503 ((net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment. The total increase in the City's capital assets (excluding accumulated depreciation) for the current fiscal year was \$503,230 for governmental activities due primarily to land improvements. There was an increase (excluding accumulated depreciation) in business-type capital assets in the amount of \$840,952 during the current fiscal year due to additions to plant and distributing/infrastructure.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note14 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, the City of Ruidoso Downs had total long-term obligations outstanding of \$1,584,556.

Long-term debt retirements related to revenue bonds and loans for governmental activities for the current year was \$72,811. Accrued compensated absences \$74,697.

See Note 5 in the accompanying Notes to the Financial Statements for further information regarding the City of Ruidoso Downs's long-term debt.

See Note 10 relating to the City's adoption of the requirements of GASB 68 pertaining to PERA pension liabilities.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices. The City of Ruidoso Downs has plans for economic development that will require substantial infrastructure improvements that should result in future revenue growth.

The above factors were considered in preparing the City of Ruidoso Downs's budget for the 2015 fiscal year. There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the City's financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Ruidoso Downs's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Ruidoso Downs Administration, City of Ruidoso Downs, P.O. Box 130, Ruidoso Downs, New Mexico. 87035.

Basic Financial Statments

State of New Mexico
City of Ruidoso Downs
Statement of Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 2,558,117	\$ 2,157,302	\$ 4,715,419
Receivables	530,001	79,754	609,755
Inventory	29,932	111,493	141,425
Other	-	-	-
Total Current Assets	<u>3,118,050</u>	<u>2,348,549</u>	<u>5,466,599</u>
Noncurrent Assets			
Restricted Assets (Cash)	-	78,104	78,104
Invested In Waste Water Treatment Plant	-	4,757,128	4,757,128
Net Capital Assets	<u>10,659,006</u>	<u>5,754,497</u>	<u>16,413,503</u>
Total Noncurrent Assets	<u>10,659,006</u>	<u>10,589,729</u>	<u>21,248,735</u>
Deferred Outflows			
Post Measurement Date Contributions - Employers	176,754	-	176,754
Change in Assumption of Net Pension Liability	<u>4,014</u>	<u>-</u>	<u>4,014</u>
Total Deferred Outflows of Resources	<u>180,768</u>	<u>-</u>	<u>180,768</u>
Total Assets and Deferred Outflows	<u>\$ 13,957,824</u>	<u>\$ 12,938,278</u>	<u>\$ 26,896,102</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 35,664	\$ 3,619	\$ 39,283
Accrued Payroll And Benefits	59,103	10,150	69,253
Accrued Compensated Absences	67,331	7,366	74,697
Interest Payable	17,570	-	17,570
Current Portion Of Long Term Debt	55,000	16,897	71,897
Customer Deposits	-	49,753	49,753
Total Current Liabilities	<u>234,668</u>	<u>87,785</u>	<u>322,453</u>
Noncurrent Liabilities			
Net Pension Payable	1,814,537	-	1,814,537
Notes Payable	-	455,753	455,753
Bonds Payable	<u>1,057,000</u>	<u>-</u>	<u>1,057,000</u>
Total Noncurrent Liabilities	<u>2,871,537</u>	<u>455,753</u>	<u>3,327,290</u>
Total Liabilities	<u>3,106,205</u>	<u>543,538</u>	<u>3,649,743</u>
Deferred Inflows			
Investment Experience-Net Pension Liability	670,880	-	670,880
Change in Assumptions-Net Pension Liability	41,983	-	41,983
Deferred Inflows-Property Taxes	<u>31,407</u>	<u>-</u>	<u>31,407</u>
Total Deferred Inflows	<u>744,270</u>	<u>-</u>	<u>744,270</u>
Net Position			
Net Investment in Capital Assets	9,547,006	5,281,847	14,828,853
Restricted For:			
Special Revenue Funds	1,072,688	-	1,072,688
Debt Service	79,414	472,650	552,064
Unrestricted	<u>(591,759)</u>	<u>6,640,243</u>	<u>6,048,484</u>
Total Net Position	<u>10,107,349</u>	<u>12,394,740</u>	<u>22,502,089</u>
Total Liabilities, Net Position and Deferred Inflows	<u>\$ 13,957,824</u>	<u>\$ 12,938,278</u>	<u>\$ 26,896,102</u>

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

State of New Mexico
City of Ruidoso Downs
Statement of Activities
For The Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Expenses						
	\$ 1,225,396	\$ 3,958	\$ 1,703,497	\$ -	\$ 482,059	\$ -
	1,252,180	68,338	136,831	(1,047,011)	-	(1,047,011)
	493,094	-	415,848	(77,246)	-	(77,246)
	610,917	-	-	(610,917)	-	(610,917)
	72,931	-	-	(72,931)	-	(72,931)
	43,249	-	-	(43,249)	-	(43,249)
Total Governmental Activities	3,697,767	72,296	1,840,328	(1,369,295)	-	(1,369,295)
Business-Type Activities:						
Joint Water And Sewer Sanitation	1,235,695	718,199	-	-	(391,146)	(391,146)
	273,139	196,916	-	-	(76,223)	(76,223)
Total Business-Type Activities	1,508,834	915,115	-	-	(467,369)	(467,369)
Total Primary Government	\$ 5,206,601	\$ 987,411	\$ 1,840,328	(1,369,295)	(467,369)	(1,836,664)
General Revenues:						
Property Taxes, Levied for General Purposes				278,535	-	278,535
Property Taxes, Levied for Debt Service Purposes				95,163	-	95,163
Franchise Taxes				72,491	-	72,491
Gross Receipts Tax, Levied for General Purposes				1,191,740	-	1,191,740
Gross Receipts Tax, Levied for Infrastructure				120,773	-	120,773
Gas Tax				12,783	-	12,783
Lodgers Tax				195,750	-	195,750
Environmental Gross Receipts				-	561,389	561,389
Licenses And Permits				11,408	-	11,408
Interfund Transfers				72,913	(72,913)	-
Total General Revenues				2,051,556	488,476	2,540,032
Change In Net Position				682,261	21,107	703,368
Net Position - Beginning Restatement				11,854,448	12,373,633	24,228,081
Net Position - Beginning Restated				(2,429,360)	-	(2,429,360)
Net Position - Ending				9,425,088	12,373,633	21,798,721

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

State of New Mexico
City of Ruidoso Downs
Balance Sheet - Government Funds
June 30, 2015

	General Fund	Museum Fund	Debt Service Fund	Non Major Governmental Funds	Totals Governmental Funds
Assets					
Cash	\$ 1,470,286	\$ 15,115	\$ 79,414	\$ 993,302	\$ 2,558,117
Taxes Receivable	463,545	-	17,165	49,291	530,001
Inventory	-	29,932	-	-	29,932
Total Assets	<u>\$ 1,933,831</u>	<u>\$ 45,047</u>	<u>\$ 96,579</u>	<u>\$ 1,042,593</u>	<u>\$ 3,118,050</u>
Liabilities					
Accounts Payable	\$ 28,227	\$ 7,437	\$ -	\$ -	\$ 35,664
Accrued Payroll And Benefits	51,588	5,732	-	1,783	59,103
Deferred Inflows -Property Tax	51,534	-	17,165	-	68,699
Total Liabilities	<u>131,349</u>	<u>13,169</u>	<u>17,165</u>	<u>1,783</u>	<u>163,466</u>
Fund Balances					
Restricted For:					
General Fund	-	-	-	-	-
Special Revenue	-	31,878	-	1,040,810	1,072,688
Capital Projects	-	-	-	-	-
Debt Service	-	-	79,414	-	79,414
Unassigned For:					
General Fund	1,802,482	-	-	-	1,802,482
Total Fund Balances	<u>1,802,482</u>	<u>31,878</u>	<u>79,414</u>	<u>1,040,810</u>	<u>2,954,584</u>
Total Liabilities deferred inflows of Resources and Fund Balances	<u>\$ 1,933,831</u>	<u>\$ 45,047</u>	<u>\$ 96,579</u>	<u>\$ 1,042,593</u>	<u>\$ 3,118,050</u>

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

State of New Mexico
City of Ruidoso Downs
Reconciliation of Total Governmental Fund Balance
To Net Position of Governmental Activities
June 30, 2015

Total Governmental Fund Balance	\$ 2,954,584
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,659,006
Deferred property tax revenue on governmental funds is recognized as current income on government wide statements	37,292
Deferred Outflows and Inflows related to Pensions	(532,095)
Compensated absences payable not reported as liabilities on the governmental fund statements	(67,331)
Interest payable not reported as a liability on the governmental fund statements	(17,570)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Net Pensions Payable	(1,814,537)
Bonds Payable	<u>(1,112,000)</u>
Net Position of Governmental Activities	<u>\$ 10,107,349</u>

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For The Year Ended June 30, 2015

	General Fund	Museum Fund	Debt Service Fund	Non Major Governmental Funds	Totals Governmental Funds
Revenues					
Taxes	\$ 1,542,767	\$ -	\$ 95,163	\$ 316,523	\$ 1,954,453
Licenses And Permits	11,408	-	-	-	11,408
Intergovernmental-State	1,216,559	-	-	206,084	1,422,643
Intergovernmental-Federal	-	-	-	403,012	403,012
Charges For Services	3,958	-	-	15,344	19,302
Fines And Forfeitures	68,338	-	-	6,773	75,111
Contributions and Sales	-	245,778	-	-	245,778
Loan Proceeds	-	-	-	72,913	72,913
Miscellaneous	131,168	-	-	-	131,168
Total Revenues	2,974,198	245,778	95,163	1,020,649	4,335,788
Expenditures					
General Government	1,119,500	-	3,794	90,159	1,213,453
Public Safety	1,100,622	-	-	76,760	1,177,382
Highway And Streets	503,248	-	-	31,646	534,894
Culture And Recreation	131,302	398,814	-	21,186	551,302
Other	72,931	-	-	-	72,931
Capital Outlay	-	-	-	517,957	517,957
Debt Service-Principal	-	-	50,000	-	50,000
-Interest	-	-	44,020	-	44,020
Total Expenditures	2,927,603	398,814	97,814	737,708	4,161,939
Excess (Deficiency) Of Revenues Over Expenditures	46,595	(153,036)	(2,651)	282,941	173,849
Other Financing Sources (Uses):					
Operating Transfers, Net	28,805	110,000	-	(65,892)	72,913
Total Other Financing Sources (Uses)	28,805	110,000	-	(65,892)	72,913
Net Change in Fund Balances	75,400	(43,036)	(2,651)	217,049	246,762
Fund Balance (Deficit)					
At Beginning Of Year	1,727,082	74,914	82,065	823,761	2,707,822
Fund Balance (Deficit) At End Of Year	\$ 1,802,482	\$ 31,878	\$ 79,414	\$ 1,040,810	\$ 2,954,584

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

State of New Mexico
City of Ruidoso Downs
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 246,762

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense was more than capital outlays in the current period.

Capital Outlays	\$ 657,946	
Depreciation Expense	<u>(350,675)</u>	307,271

Property taxes recorded as deferred revenue on the governmental funds are recognized as current revenue on the government wide statements		(28,673)
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Net change in compensated absences payable for governmental funds		23,402
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Net change in pension contributions and pension expense		82,728
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Change in Interest payable		771
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Repayment of bond and Capital Lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The following is a summary of those payments:

Principal payments on Bonds Payable	<u>50,000</u>	<u>50,000</u>
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Change in Net Position of Governmental Activities		<u>\$ 682,261</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

**State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis) - General Fund
For The Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Taxes	\$ 1,746,385	\$ 1,746,385	\$ 1,564,773	\$ (181,612)
Licenses And Permits	12,025	12,025	11,408	(617)
Intergovernmental	1,363,824	1,363,824	1,228,851	(134,973)
Charges For Services	4,356	4,658	3,958	(700)
Fines	64,896	68,339	68,338	(1)
Other	95,883	170,881	131,168	(39,713)
	-			
Total Revenue	3,287,369	3,366,112	3,008,496	\$ (357,616)
Budgeted Cash Balance	1,322,228	1,322,228		
Total Revenue And Cash	\$ 4,609,597	\$ 4,688,340		
EXPENDITURES				
Current				
General Government	1,248,577	1,247,965	1,111,332	136,633
Public Safety	1,220,410	1,243,780	1,090,244	153,536
Highways And Streets	532,162	531,363	500,519	30,844
Culture And Recreation	169,746	169,796	131,013	38,783
Other	74,500	75,114	72,932	2,182
	-			
Total Expenditures	3,245,395	3,268,018	2,906,040	361,978
OTHER FINANCING SOURCES (USES)				
Operating Transfers (Net)	(32,820)	(4,997)	28,805	33,802
Total Expenditures And Other Financing Sources	\$ 3,278,215	\$ 3,273,015	2,877,235	\$ 328,176
Total Revenues (Expenditures and Other Financing Sources and Uses)			131,261	
Reconciliation to GAAP Basis				
Changes in Receivables			(31,776)	
Changes in Deferred Income			(2,522)	
Changes in Accrued Payroll			(21,563)	
Excess (Deficiency) of Revenues over expenditures			\$ 75,400	

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

**State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis) -- Museum Fund
For The Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Charges For Services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Contributions and Sales	258,400	278,400	245,778	(32,622)
Investment Income	-	-	-	-
	<u>258,400</u>	<u>278,400</u>	<u>245,778</u>	<u>\$ (32,622)</u>
Total Revenue	258,400	278,400	245,778	<u>\$ (32,622)</u>
Budgeted Cash Balance	<u>53,232</u>	<u>53,232</u>		
Total Revenue And Cash	<u>\$ 311,632</u>	<u>\$ 331,632</u>		
EXPENDITURES				
Current				
Operating Expenses	395,554	413,908	393,895	20,013
Capital Outlay	-	-	-	-
	<u>395,554</u>	<u>413,908</u>	<u>393,895</u>	<u>20,013</u>
Total Expenditures	395,554	413,908	393,895	20,013
OTHER FINANCING SOURCES (USES)				
Operating Transfers (Net)	<u>160,000</u>	<u>160,000</u>	<u>110,000</u>	<u>50,000</u>
Total Expenditures And Other Financing Sources	<u>\$ 235,554</u>	<u>\$ 253,908</u>	<u>283,895</u>	<u>\$ (29,987)</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(38,117)	
Reconciliation to GAAP Basis				
Changes in Inventory			283	
Changes in Accounts Payable			(3,211)	
Changes in Accrued Payroll			(1,991)	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (43,036)</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Net Position
Proprietary Fund
June 30, 2015

Business-Type Activities

	Business-Type Activities		
	Joint Water and Sewer	Sanitation	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 2,114,332	\$ 42,970	\$ 2,157,302
Restricted Cash	78,104	-	78,104
Customer Accounts Receivable, Net of Allowance For Doubtful Accounts	56,038	23,716	79,754
Inventory	<u>111,493</u>	<u>-</u>	<u>111,493</u>
Total Current Assets	2,359,967	66,686	2,426,653
NONCURRENT ASSETS			
Net Capital Assets	5,754,497	-	5,754,497
Investment in Waste Water Treatment Plant	<u>4,757,128</u>	<u>-</u>	<u>4,757,128</u>
Total Assets	<u>\$ 12,871,592</u>	<u>\$ 66,686</u>	<u>\$ 12,938,278</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 3,619	\$ -	\$ 3,619
Accrued Payroll Expense	10,150	-	10,150
Accrued Compensated Absences	7,366	-	7,366
Current Portion Of Notes Payable	16,897	-	16,897
Customer Deposits	<u>49,753</u>	<u>-</u>	<u>49,753</u>
Total Current Liabilities	<u>87,785</u>	<u>-</u>	<u>87,785</u>
NONCURRENT LIABILITIES			
Notes Payable	<u>455,753</u>	<u>-</u>	<u>455,753</u>
Total Noncurrent Liabilities	<u>455,753</u>	<u>-</u>	<u>455,753</u>
Total Liabilities	<u>543,538</u>	<u>-</u>	<u>543,538</u>
NET POSITION			
Net Investment in Capital Assets	5,281,847	-	5,281,847
Restricted For:			
Debt Service	472,650	-	472,650
Unrestricted	<u>6,573,557</u>	<u>66,686</u>	<u>6,640,243</u>
Total Net Position	<u>12,328,054</u>	<u>66,686</u>	<u>12,394,740</u>
Total Liabilities And Net Position	<u>\$ 12,871,592</u>	<u>\$ 66,686</u>	<u>\$ 12,938,278</u>

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended June 30, 2015

	Business-Type Activities		
	Joint Water and Sewer	Sanitation	Total
OPERATING REVENUES			
Charges For Services-Water	\$ 398,555	\$ -	\$ 398,555
Charges For Services-Sewer	319,644	-	319,644
Charges For Services-Sanitation	-	196,916	196,916
	<u>718,199</u>	<u>196,916</u>	<u>915,115</u>
OPERATING EXPENSES			
Personal Services	437,861	-	437,861
Operations And Maintenance	586,835	273,139	859,974
Depreciation	196,325	-	196,325
	<u>1,221,021</u>	<u>273,139</u>	<u>1,494,160</u>
OPERATING INCOME (LOSS)	<u>(502,822)</u>	<u>(76,223)</u>	<u>(579,045)</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental Grants	126,350	-	126,350
EGR Tax	512,299	49,090	561,389
Interest Expense	(14,674)	-	(14,674)
	<u>623,975</u>	<u>49,090</u>	<u>673,065</u>
INCOME (LOSS) BEFORE TRANSFERS	121,153	(27,133)	94,020
TRANSFERS IN (OUT)	<u>(97,913)</u>	<u>25,000</u>	<u>(72,913)</u>
Change In Net Position	23,240	(2,133)	21,107
TOTAL NET POSITION AT BEGINNING OF YEAR	<u>12,304,814</u>	<u>68,819</u>	<u>12,373,633</u>
TOTAL NET POSITION AT END OF YEAR	<u>\$ 12,328,054</u>	<u>\$ 66,686</u>	<u>\$ 12,394,740</u>

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

State of New Mexico
City of Ruidoso Downs
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2015

	Business-Type Activities		
	Joint Water and Sewer	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers	\$ 787,134	\$ 200,560	\$ 987,694
Cash Paid To Suppliers	(537,930)	(273,139)	(811,069)
Cash Paid To Employees	(436,219)	-	(436,219)
Net Cash Provided By Operating Activities	<u>(187,015)</u>	<u>(72,579)</u>	<u>(259,594)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received From EGRT	512,299	49,090	561,389
Cash received From Non Capital Grants	126,350	-	126,350
Capital Transfers - Other Funds	(97,913)	25,000	(72,913)
Net Cash Provided From Noncapital Financing Activities	<u>540,736</u>	<u>74,090</u>	<u>614,826</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid On Capital Debt	(22,811)	-	(22,811)
Proceeds form Debt Financing	72,913	-	72,913
Interest on Capital Debt	(14,674)	-	(14,674)
Net Cash Used For Capital And Related Financing Activities	<u>35,428</u>	<u>-</u>	<u>35,428</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Capital Assets	(183,005)	-	(183,005)
Net Cash Provided From Investing Activities	<u>(183,005)</u>	<u>-</u>	<u>(183,005)</u>
Net Increase In Cash	206,144	1,511	207,655
Cash and Cash Equivalents - Beginning Of Year	1,986,292	41,459	2,027,751
Cash and Cash Equivalents - End Of Year	<u>\$ 2,192,436</u>	<u>\$ 42,970</u>	<u>\$ 2,235,406</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (502,822)	\$ (76,223)	\$ (579,045)
Noncash Items In Net Income-Depreciation	196,325	-	196,325
(Increase) Decrease In:	-	-	-
Accounts Receivable	68,935	3,644	72,579
Inventory	50,823	-	50,823
Increase (Decrease) In:	-	-	-
Accounts Payable	(1,718)	-	(1,718)
Accrued Interest	(200)	-	(200)
Accrued Payroll And Benefits	1,642	-	1,642
Net Cash Provided (Used) By Operating Activities	<u>\$ (187,015)</u>	<u>\$ (72,579)</u>	<u>\$ (259,594)</u>

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

**STATE OF NEW MEXICO
CITY OF RUIDOSO DOWNS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ruidoso Downs (City) was incorporated in 1947 under the laws of the State of New Mexico. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government 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 relations, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units were included in the City's reporting entity.

B. Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into two broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include two enterprise funds. The City has no fiduciary funds.

C. Basis of Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. Internal activities are eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each program of the governmental activities. Direct expenses are those that are specifically associated with a service program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Specific types of program revenues include museum admittance fees and memberships, copying and other miscellaneous services. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net Position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following as major governmental funds:

The General Fund is the City's primary operating fund accounting for all financial resources and legally authorized activities except those require to be accounted for in other funds.

The Museum Special Revenue Fund reflects the operations of the Hubbard Museum which were donated to the City on September 1, 2005.

The Debt Service Fund reflects the activity relating accumulation of fund to service debt of the City.

The City reports both of the proprietary funds, the Joint Water & Sewer Fund and the Sanitation Fund, as major funds. These funds account for utility services provided within the City.

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within two months of year-end

and available to pay obligations of the current period). This includes investment earnings, fines and forfeitures and state-levied locally shared taxes. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

In accordance with GASB Statement 34, estimated property taxes that are not available are recorded as both accounts receivable and deferred inflows. The City received from Lincoln County all collected property taxes by year end. Estimated taxes that were not available at year end have been accrued as taxes receivable and also as deferred outflows. Property tax revenues and receivables are recognized when levied, net of estimated refunds and uncollectible amounts. Grant revenues are recognized when all of the eligibility requirements have been met. Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. The City uses funds and account groups to report on its financial position and the results of its operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activity.

The City has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to proprietary funds or the government-wide financial statements. The proprietary funds apply all applicable GASB pronouncements as well as statements and interpretations of the FASB, the Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Budgets

Budgets for all funds are adopted on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as amended, the amendments being adopted in a legally prescribed manner. All appropriations lapse at year-end.

E. Cash and Cash Equivalents

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements may be invested in various certificates of deposits and overnight investment repos. The City considers highly liquid investments and certificates of deposit (including restricted assets) to be cash equivalents (see Note 3).

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The reserve for uncollectible accounts for the Joint Water and Sewer Fund and the Sanitation Fund was \$33,181.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The bond ordinances call for payment reserves on the various issues which are equal to that amount reflected as restricted.

I. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the governments-wide statement of net position. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net position and in the individual proprietary funds. Prior to July 1, 2005, the City's policy was to capitalize capital expenditures of \$1,000 or more. After June 30, 2005, capital expenditures of \$5,000 or more are capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Additions, improvements, computer software and other capital outlays that significantly extend the useful life of an asset are capitalized. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for) in the General Capital Asset Account Group. Infrastructure expenditures, such as streets, are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 40 years; improvements and infrastructure, 5 to 50 years; equipment, 3 to 15 years.

Assets acquired under capital leases are included in the assets for which depreciation expense is computed.

In proprietary funds, interest is capitalized on assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Even though the City has appropriated, accumulated and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources is not reported as a fund liability in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board-Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

K. Net Position and Fund Balance

The difference between the District's assets and liabilities is its net position. The District's net position consist of the following components – **net position invested in capital assets** net of related debt, which is the cost of capital assets, net of accumulated depreciation, **committed fund balance** represents amounts that are useable only for specified purposes by formal action of the government's highest level of authority nets assets, **assigned fund balance** represents amounts that are intended to be used for a specific purpose but are neither restricted or committed, **restricted fund balance or net position** - wherein the constraints are placed on net asset use either by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation and **unassigned fund balance** is the residual classification for the general fund and represents the amounts that have not been assigned to other funds and **unrestricted net assets** in the government wide financial statements is the unclassified net position.

L. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

M. Inventory

Inventory of the proprietary funds and of the Museum fund are valued at the lower of cost (first-in first-out) or market.

N. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds.

O . Deferred Inflow/Outflows of Resources: GASB 63 amended previous guidance on Unearned Revenues in financial statements to include deferred outflow of resources which is the consumption of net assets by the government that is applicable to future reporting periods and deferred inflow of resources which is acquisition of net assets by the government that is applicable to future reporting periods.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the City administration submits to the City Councilors a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

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

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

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

None of the City's funds had expenditures in excess of budget for the year ended June 30, 2015.

NOTE 3. CASH AND CASH EQUIVALENTS

The City's policy is to limit cash deposits to insured and/or collateralized demand deposit accounts, certificates of deposit. All bank balances or deposits as of the balance sheet date collateralized with an irrevocable standby letter of credit issued to the City in accordance with state statutes. The carrying amount of City's deposits with financial institutions was \$4,787,017 and the bank balances were \$4,906,717.

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

At June 30, 2015, \$4,578,653 of the \$4,906,717 of the City's bank balance was exposed to custodial credit risk as follows:

	Cash In Banks
Total Deposits at Depository or Invested	\$ 4,906,717
Less: FDIC Insurance	(328,064)
Uninsured public funds	<u>\$ 4,578,653</u>
Required Pledge (50%)	\$ 2,289,327
Letter of Credit Coverage	(3,800,000)
Pledged collateral held by depository trust department but not in City's name	<u>-</u>
(Over) Under Uninsured and uncollateralized	<u>\$ (1,510,673)</u>

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

NOTE 4. LIABILITY FOR COMPENSATED ABSENCES

Vacation leave is earned by employees during the year based on time worked and is non-cumulative. Vacation leave due, if any, is paid on an employee's termination. The accrued value of the vacation leave due to employees at June 30, 2015 is \$74,697.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Government Funds	\$ 90,733	\$ 80,123	\$ 103,525	\$ 67,331	\$ 67,331
Business Type Activities	10,575	12,503	15,712	7,366	7,366
	<u>\$ 101,308</u>	<u>\$ 92,626</u>	<u>\$ 119,237</u>	<u>\$ 74,697</u>	<u>\$ 74,697</u>

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

Compensated absences are paid from the fund from which the respective liability originated. These liabilities originate in the General Fund, the Museum Special Revenue Fund, and the Joint Water and Sewer Enterprise Fund.

NOTE 5. LONG-TERM DEBT

Long-term debt transactions are as follows:

	Balance 6/30/14	Additions	(Reductions)	Balance 6/30/15	Due Within One Year
Government Activities:					
3.45 to 4.28% Note payable to New Mexico					
Finance Authority payable in various annual Principle amounts, maturing August, 2027	\$ 1,162,000	\$ -	\$ (50,000)	\$ 1,112,000	\$ 55,000
Total Long-Term Obligations	<u>\$ 1,162,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ 1,112,000</u>	<u>\$ 55,000</u>
Business Type Activities:					
4.75% Revenue Bond, payable to USDA Rural Development in various annual principle amounts plus accrued interest, maturing June, 2038	\$ 314,001	\$ -	\$ (8,000)	\$ 306,001	\$ 8,000
2% Note, payable to the NM Environment Depart. to Fund Improvements to the Regional Waste Water treatment. Secured by ERGT Revenues. Matures 6/2029.	87,404	-	(4,368)	83,036	4,455
5% Note Payable, held by GE Capital, Payable in annual payments of \$3,000, plus interest due in June 2015.	6,000	-	(6,000)	-	-
0% Note Payable, held by NM Finance Authority, Payable in annual payments of \$797, and matures June, 2033	15,143	-	(797)	14,346	797
0% Note Payable, held by NM Finance Authority, Payable in annual payments of \$3,646, and matures June, 2034	-	72,913	(3,646)	69,267	3,646
	<u>422,548</u>	<u>72,913</u>	<u>(22,811)</u>	<u>472,650</u>	<u>16,898</u>
Total Long-Term Obligations	<u>\$ 1,584,548</u>	<u>\$ 72,913</u>	<u>\$ (72,811)</u>	<u>\$ 1,584,650</u>	<u>\$ 71,898</u>

See Note 4 for disclosure of compensated absences.

The annual requirements to amortize principal and interest on all debt outstanding as of June 30, 2015, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 71,898	\$ 58,001	\$ 129,899
2017	76,979	55,514	132,493
2018	82,078	49,188	131,266
2018	87,171	49,874	137,045
2020	93,265	46,683	139,948
2021-2025	553,812	165,162	718,974
2026-2030	465,476	64,929	530,405
2031--2036	113,971	22,941	136,912
2037-2041	40,000	2,802	42,802
	<u>\$ 1,584,650</u>	<u>\$ 515,094</u>	<u>2,099,744</u>

NOTE 6. JOINT POWERS AGREEMENTS

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

The Ruidoso/Ruidoso Downs Joint Use Board is an agreement between the Village of Ruidoso, the City of Ruidoso Downs and the County of Lincoln whereby the entities secured a grant for the construction of a wastewater treatment plant for the benefit of both municipalities. The budgetary and financial accountability for the operation of the plant lies within the Village of Ruidoso and is included in their annual audit as an agency fund.

The City received an federal capital grant in the amount of \$2,900,000 passed through the New Mexico Environment Department in addition to \$1,085,731 in legislative appropriations to fund improvements to the regional waste water treatment plant. The City has capitalized the investment in the facility in the joint Water and Sewer Proprietary Fund. The total investment to date is \$4,757,128.

The Greentree Solid Waste Authority (GSWA) provides solid waste disposal service to various communities in Lincoln County and the City is a member of the authority. GSWA acts as its own fiscal agent as do other such cooperative organizations and provides an independent audit. All powers rest with the Authority including budgetary, finance, and bonded debt. The City of Ruidoso Downs has committed the Environmental Gross Receipts Tax collected to service debt of the Authority.

The participants in GSWA have also entered into a joint powers agreement with Otero County, Alamogordo, Tularosa and Cloudcroft for the purpose of forming the Otero/Lincoln County Regional landfill. The financial information for this venture is included in the fiscal agent's (Alamogordo) audit report. The City of Ruidoso Downs has committed the Environmental Gross Receipts Tax collected to service bonds issued by Alamogordo to construct the facility.

There are no required capital contributions to the joint power entities and the only financial transactions are for charges for services in the normal course of business.

NOTE 7. RISK MANAGEMENT AND LITIGATION

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

NOTE 8. CONTINGENT LIABILITIES

The wastewater treatment plant, discussed in Note 6, is a participant in a Joint Use Board which has acquired a loan from the state of New Mexico to finance a portion of these improvements in the amount of \$1,513,154. The City is a guarantor of that debt and is billed by the Joint Use Board for its respective share of the debt service expenditures.

NOTE 9. RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

NOTE 10. PERA PENSION PLAN

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

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

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

Benefits Provided. For a description of the benefits provided and recent changes to the benefits see Note I in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202014.pdf).

Contributions. The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY 14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY 14 annual audit report at [http://osanm.org/media/audits/366 Public Employees Retirement Association 2014.pdf](http://osanm.org/media/audits/366%20Public%20Employees%20Retirement%20Association%202014.pdf). The PERA coverage options that apply to City are: General Division, Fire Division and Police Division. Statutorily required contributions to the pension plan from the City were \$150,684 and employer paid member benefits that were "picked up" by the employer were \$0 for the year ended June 30, 2015.

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 City's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division - the City's General Division, at June 30, 2015, the City reported a liability of \$1,192,004 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was 0.1528 percent, which was unchanged from its proportion measured as of June 30, 2013. due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund - General, pension expense of \$118,832. At June 30, 2015, the City reported PERA Fund Division - General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Change of assumptions	\$ -	\$ -
Net Difference between projected and actual earnings on pension investments	-	808
Changes in proportion and differences between City of Ruidoso Downs contributions and proportionate share of Contributions	-	466,343
City of Ruidoso Downs contributions subsequent to the measurement date	<u>118,832</u>	<u>-</u>
Total	<u>\$ 118,832</u>	<u>\$ 467,151</u>

\$118,832 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2016	\$ 116,787
2017	116,787
2018	116,787
2019	116,787
2020	-
There After	-

For PERA Fund Division - the City's Fire Division, at June 30, 2015, the City reported a liability of \$115,620 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was 0.0277 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Division - Fire pension expense of \$6,638. At June 30, 2015, the City reported PERA Fund Division - Fire deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Change of assumptions	\$ -	\$ -
Net Difference between projected and actual earnings on pension investments	4,014	-
Changes in proportion and differences between City of Ruidoso Downs contributions and proportionate share of	-	16,014
City of Ruidoso Downs contributions subsequent to the measurement date	<u>6,638</u>	<u>-</u>
Total	<u>\$ 10,652</u>	<u>\$ 16,014</u>

\$6,638 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2016	\$ 3,005
2017	3,005
2018	3,005
2019	3,005
2020	-

For PERA Fund Division - the City's Police Division, at June 30, 2015, the City reported a liability of \$506,913 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was 0.1555 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Division - Police pension expense of \$51,283. At June 30, 2015, the City reported PERA Fund Division - Police deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Change of assumptions	\$ -	\$ -
Net Difference between projected and actual earnings on pension investments	-	41,175
Changes in proportion and differences between City of Ruidoso Downs contributions and proportionate share of contributions	-	188,493
City of Ruidoso Downs contributions subsequent to the measurement date	<u>51,283</u>	<u>-</u>
Total	<u>\$ 51,283</u>	<u>\$ 229,668</u>

\$51,283 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2016	\$ 57,367
2017	57,367
2018	57,367
2019	57,367
2020	-
There After	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 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.

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

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

Sensitivity of the City'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 City's net pension liability in each PERA Fund Division that City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division - General	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 2,247,196	\$1,192,004	\$ 376,818
PERA Fund Division - Fire	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$163,352	\$ 115,620	\$ 80,408
PERA Fund Division - Police	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$966,684	\$ 506,913	\$ 163,608

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 14 Restated PERA financial report. The report is available at <http://\vw\v.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30,2015, the City had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2015.

NOTE 11. PROPERTY TAXES

Property taxes include amounts levied against all real property and all tangible personal property used in businesses located in the City. The Lincoln County Treasurer bills and collects the City's tax levy, which is payable in two installments on November 10 and April 10. Property taxes attach as an enforceable lien on January 1. Collections by the County are remitted to the City monthly. No allowance for uncollectible taxes has been recorded since; all taxes are considered collectible by the County Treasurer. As of June 30, 2015, all uncollected taxes are considered delinquent.

NOTE 12. SURETY BONDS

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

NOTE 13. INTERFUND TRANSACTIONS

Transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them.

<u>Transfer From</u>	<u>Transfer To</u>	
	General Fund	\$ 28,805
	Museum	110,000
	Local Government	5,004
Gas Tax		(12,896)
FEMA		(27,823)
Lodger's Tax		(128,090)
	Colonias Grant	97,913
Water/Sewer/Sanitaiton		<u>(72,913)</u>
Net Transfers		<u>\$ -</u>

Transfers made into the Joint Water & Sewer Fund from the Debt Service Fund were made for water improvement projects constructed within the fund, and accordingly, at the completion of the projects would be depreciated in that fund.

Transfers to the Museum Fund from the General Fund and other non-major governmental funds were to supplement operations of the museum.

NOTE 14. Capital Assets

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

	Balance 6/30/14	Additions	(Reductions)	Balance 6/30/15
Government Activities:				
Capital Assets not being Depreciated				
Land	\$ 226,634	\$ -	\$ -	\$ 226,634
Museum artifacts and collectibles	5,501,635	-	-	5,501,635
Total capital assets not being depreciated	<u>5,728,269</u>	<u>-</u>	<u>-</u>	<u>5,728,269</u>
Capital Assets Being depreciated:				
Buildings and improvements	3,039,812	-	-	3,039,812
Streets and other infrastructure	2,458,557	657,946	-	3,116,503
Equipment	2,778,952	-	-	2,778,952
Total capital assets being depreciated	<u>8,277,321</u>	<u>657,946</u>	<u>-</u>	<u>8,935,267</u>
Less: accumulated depreciation for				
Buildings and improvements	870,455	55,612	-	926,067
Streets and other infrastructure	215,994	45,350	-	261,344
Equipment	2,567,406	249,713	-	2,817,119
Total accumulated depreciation	<u>3,653,855</u>	<u>350,675</u>	<u>-</u>	<u>4,004,530</u>
Total capital assets being depreciated, net	<u>4,623,466</u>	<u>307,271</u>	<u>-</u>	<u>4,930,737</u>
Government activity capital assets, net	<u>\$ 10,351,735</u>	<u>\$ 307,271</u>	<u>\$ -</u>	<u>\$ 10,659,006</u>
Business Type Activities:				
Capital Assets not being Depreciated				
Land and Water Rights	\$ 1,194,275	\$ -	\$ -	\$ 1,194,275
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>1,194,275</u>	<u>-</u>	<u>-</u>	<u>1,194,275</u>
Capital Assets Being depreciated:				
Buildings and improvements	36,221	-	-	36,221
Distribution Systems	6,376,626	183,006	-	6,559,632
Equipment	748,302	-	2,300	750,602
Total capital assets being depreciated	<u>7,161,149</u>	<u>-</u>	<u>2,300</u>	<u>7,346,455</u>
Less: accumulated depreciation for				
Buildings and improvements	35,963	1,381	-	37,344
Distribution Systems	2,030,770	123,624	-	2,154,394
Equipment	520,874	71,321	2,300	594,495
Total accumulated depreciation	<u>2,587,607</u>	<u>196,326</u>	<u>2,300</u>	<u>2,786,233</u>
Total capital assets being depreciated, net	<u>4,573,542</u>	<u>(196,326)</u>	<u>-</u>	<u>4,560,222</u>
Business-type activity capital assets, net	<u>\$ 5,767,817</u>	<u>\$ (196,326)</u>	<u>\$ -</u>	<u>\$ 5,754,497</u>
Governmental activity depreciation was charged to functions as follows:				
General Government	\$ 105,202			
Public Safety	87,669			
Highway and Streets	98,189			
Culture and recreation	59,615			
Total depreciation	<u>\$ 350,675</u>			

NOTE 16. SUBSEQUENT ACCOUNTING STANDARDS PRONOUNCEMENTS

Other accounting standards that City of Ruidoso Downs is currently reviewing for applicability and potential impact on the financial statements include:

GASB 72, Fair Value Measurement and Application, This Statement addresses accounting and financial reporting issues related to fair value measurements. This definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. 'This Statement will be effective for the year ended June 30, 2016.

GASB 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year endedjunc30, 2016.

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

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by 1 employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPKB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other 'Than Pension Plans establishes new accounting and financial reporting requirements for OPKB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPKB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPF'B also are addressed. This Statement will be effective for the year ended June 30, 2018.

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

Note 17 SUBSEQUENT REVIEW

The City of Ruidoso Downs has evaluated the subsequent events through December 17, 2015 which is the date the statements were available for issuance.

Note 18 RESTATEMENTS

GASB 65 requires governments entities to restate its government-wide financial statements to comply with its requirements GASB Statement 68 relating to pension liabilities. Total restatement was a decrease in net position by \$2,429,365.

Departmental Information

**State of New Mexico
City of Ruidoso Downs
Statement of Expenditures -- By Department -- General Fund
For The Year Ended June 30, 2015**

GENERAL GOVERNMENT

Legislative	\$ 48,208
Judicial	126,383
Elections	-
Legal	187,880
Finance and Administration	508,560
Planning	195,105
Code Enforcement	<u>53,364</u>
Total General Government	1,119,500

PUBLIC SAFETY

Public Safety	962,899
Fire Department	71,748
Animal Control	<u>65,975</u>
Total Public Safety	1,100,622

CULTURE AND RECREATION

Parks and Recreation	124,492
Senior Citizens	<u>6,810</u>
Total Culture and Recreation	131,302

HIGHWAYS AND STREETS

Street Department	417,744
Mechanical	<u>85,504</u>
Total Highway and Streets	503,248

OTHER

	<u>72,931</u>
Total General Fund Expenditures	<u><u>\$ 2,927,603</u></u>

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

State of New Mexico
City of Ruidoso Downs
Statement of Expenditures - By Department
Budgeted to Actual (Non-GAAP Budgetary Basis) -- General Fund
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT				
Legislative	\$ 58,166	\$ 58,277	\$ 47,044	11,233
Judicial	176,393	176,427	125,259	51,168
Elections	-	-	-	-
Legal	248,051	248,051	187,880	60,171
Finance and Administration	505,759	505,883	504,638	1,245
Planning	203,223	203,293	193,652	9,641
Code Enforcement	56,985	56,034	52,859	3,175
Total General Government	<u>1,248,577</u>	<u>1,247,965</u>	<u>1,111,332</u>	<u>136,633</u>
PUBLIC SAFETY				
Public Safety	1,084,252	1,105,575	952,049	153,526
Fire Department	70,453	71,481	71,478	3
Animal Control	65,705	66,724	66,717	7
Total Public Safety	<u>1,220,410</u>	<u>1,243,780</u>	<u>1,090,244</u>	<u>153,536</u>
CULTURE AND RECREATION				
Parks and Recreation	159,546	159,596	124,203	35,393
Senior Citizens	10,200	10,200	6,810	3,390
Total Culture and Recreation	<u>169,746</u>	<u>169,796</u>	<u>131,013</u>	<u>38,783</u>
HIGHWAYS AND STREETS				
Street Department	428,390	428,458	413,699	14,759
Mechanical	103,772	102,905	86,820	16,085
Total Highway and Streets	<u>532,162</u>	<u>531,363</u>	<u>500,519</u>	<u>30,844</u>
OTHER				
Total General Fund Expenditures	<u>74,500</u>	<u>75,114</u>	<u>72,932</u>	<u>2,182</u>
	<u>\$ 3,245,395</u>	<u>\$ 3,268,018</u>	<u>\$ 2,906,040</u>	<u>\$ 361,978</u>

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

NON MAJOR FUNDS

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

Judicial Education Fund – to account for a designated portion of traffic fines. Authority for this fund is City management.

Court Automation Fund – to account for a designated portion of traffic fines. Authority for this fund is City management.

Lincoln Co. Transit Fund - To account for operational funds related to the local transit system. Authorization is by resolution

Emergency Medical Services Fund -- to account for an annual ambulance subsidy from the State of New Mexico and related expenditures. Authority for this fund is City management.

Street Improvement Fund – to account for funds designated for street repairs. Authority for this fund is City management.

Gas Tax Road Fund -- to account for a portion of the gasoline tax revenue received from the State and the expenditure thereof. Authority is City management.

Fire Protection Fund -- to account for the operation of the City volunteer fire department. Financing is provided by allotments from the State of New Mexico. Authority for this fund is Article 52, Section 979 of the NM State Insurance Code.

FEMA Grant Fund – To account for grant funds received from Federal sources. Authorization is by resolution.

Law Enforcement Protection Fund -- to account for the operations and maintenance of a special grant for the police department. Financing is provided by a grant from the State. The grant may be used only for the operations of the police department. Authority is Section 29-13-1 NASA 1978.

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

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

Infrastructure Fund -- to account for the operations and maintenance of funds restricted for the repair and replacement of infrastructure improvements. Financing is provided by a 1/2 of 1% tax on the gross receipts within the City. The funds may be used only for sewer and street repairs and replacements, or for the acquisition of rights-of-way. Authority is by City ordinance.

CDGB Grant – To To account for the City's Community Development Block Grants projects funded by special appropriation.

Colonias Grant – To To account for the City's State Funded capital projects funded by special appropriation.

State of New Mexico
City of Ruidoso Downs
Combining Balance Sheet -- Nonmajor Funds
June 30, 2015

	Local			Law										Totals		
	Government Correction Fund	Judicial Education Fund	Court Automation Fund	Lincoln Co. Transit Fund	Emergency Medical Services Fund	Street Improvement Fund	Gas Tax Road Fund	Fire Protection Fund	FEMA Fund	Law Enforcement Protection Fund	Lodgers Tax Fund	Recreation Fund	Infrastructure Fund		CDGB Grant Fund	Colonias Grant Fund
ASSETS																
Cash In Bank	\$ 24,672	\$ 326	\$ 677	\$ 38,974	\$ 1,521	\$ 221,915	\$ 2	\$ 48,458	\$ 23,116	\$ 23,600	\$ 170,858	\$ 4,684	\$ 316,525	\$ 18,914	\$ 99,060	\$ 993,302
Taxes Receivable	-	-	-	-	-	-	2,128	-	-	-	23,922	-	23,241	-	-	49,291
Grants Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 24,672	\$ 326	\$ 677	\$ 38,974	\$ 1,521	\$ 221,915	\$ 2,130	\$ 48,458	\$ 23,116	\$ 23,600	\$ 194,780	\$ 4,684	\$ 339,766	\$ 18,914	\$ 99,060	\$ 1,042,593

LIABILITIES AND FUND BALANCE

LIABILITIES																
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Payroll Expense	-	-	-	1,783	-	-	-	-	-	-	-	-	-	-	-	1,783
Total Liabilities	-	-	-	1,783	-	-	-	-	-	-	-	-	-	-	-	1,783

FUND BALANCE

Restricted	24,672	326	677	37,191	1,521	221,915	2,130	48,458	23,116	23,600	194,780	4,684	339,766	18,914	99,060	1,040,810
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	24,672	326	677	37,191	1,521	221,915	2,130	48,458	23,116	23,600	194,780	4,684	339,766	18,914	99,060	1,040,810
Total Liabilities And Fund Balance	\$ 24,672	\$ 326	\$ 677	\$ 38,974	\$ 1,521	\$ 221,915	\$ 2,130	\$ 48,458	\$ 23,116	\$ 23,600	\$ 194,780	\$ 4,684	\$ 339,766	\$ 18,914	\$ 99,060	\$ 1,042,593

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

State of New Mexico
 City of Ruidoso Downs
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance - Nonmajor Funds
 For The Year Ended June 30, 2015

	Local		Law										Totals			
	Government Correction Fund	Judicial Education Fund	Court Automation Fund	Lincoln Co. Transit Fund	Emergency Medical Services	Street Improvement Fund	Gas Tax Road Fund	Fire Protection Fund	FEMA Fund	Enforcement Protection Fund	Lodgers Tax Fund	Recreation Fund		Infrastructure Fund	CDGB Grant Fund	Colonias Grant Fund
REVENUES																
Taxes																
Intergovernmental-State	\$ 21,950	3,287	-	-	-	-	-	-	-	\$ 195,750	-	\$ 120,773	-	-	\$ 316,523	
Intergovernmental-Federal	-	-	-	28,000	7,939	-	12,783	73,982	27,823	23,600	-	-	-	-	6,720	206,084
Charges For Services	-	-	-	66,797	-	-	-	-	-	-	-	-	-	-	396,215	403,012
Loan Proceeds	-	-	-	15,344	-	-	-	-	-	-	-	-	-	-	15,344	15,344
Fines And Forfeits	-	-	6,773	-	-	-	-	-	-	-	-	-	-	72,913	72,913	72,913
Total Revenues	21,950	3,287	6,773	110,141	7,939	-	12,783	73,982	27,823	23,600	195,750	120,773	-	415,848	1,020,649	

	Local		Law										Totals			
	Government Correction Fund	Judicial Education Fund	Court Automation Fund	Lincoln Co. Transit Fund	Emergency Medical Services	Street Improvement Fund	Gas Tax Road Fund	Fire Protection Fund	FEMA Fund	Enforcement Protection Fund	Lodgers Tax Fund	Recreation Fund		Infrastructure Fund	CDGB Grant Fund	Colonias Grant Fund
EXPENDITURES																
Current:																
General Government	-	-	-	90,159	-	-	-	-	-	-	-	-	-	-	-	90,159
Public Safety	16,484	3,226	6,674	-	6,419	-	-	41,131	-	2,826	-	-	-	-	-	76,760
Highways And Streets	-	-	-	-	-	31,646	-	-	-	-	-	-	-	-	-	31,646
Culture, Recreation and Promotion	-	-	-	-	-	-	-	-	-	21,186	-	-	-	-	-	21,186
Capital Outlay	-	-	-	-	-	-	-	2,628	-	2,209	-	-	-	4,750	504,701	517,957
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	16,484	3,226	6,674	90,159	6,419	31,646	12,783	43,759	27,823	5,035	21,186	3,669	4,750	504,701	737,708	
Excess (Deficiency) Of Revenues Over Expenditures	5,466	61	99	19,982	1,520	(31,646)	12,783	30,223	27,823	18,565	174,564	(3,669)	(4,750)	(88,853)	282,941	

OTHER FINANCING SOURCES (USES):	
Contributions	-
Operating Transfers	-
Total Other Sources	(128,090)
NET CHANGE IN FUND BALANCES	9,060
FUND BALANCE AT BEGINNING OF YEAR	823,761
FUND BALANCE AT END OF YEAR	1,040,810

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Local Government Correction Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental:	\$ 35,000	\$ 34,929	\$ 21,950	\$ 12,979
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	35,000	34,929	<u>21,950</u>	<u>\$ 12,979</u>
Budgeted Cash Balance	<u>19,206</u>	<u>19,206</u>		
Total Revenue And Cash	<u>\$ 54,206</u>	<u>\$ 54,135</u>		
EXPENDITURES				
Public Safety	\$ 21,509	\$ 21,668	\$ 16,484	\$ 5,184
Capital Leases	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	21,509	21,668	16,484	5,184
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 21,509</u>	<u>\$ 21,668</u>	<u>16,484</u>	<u>\$ 5,184</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			5,466	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 5,466</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Judicial Education Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental: Miscellaneous	\$ 5,400	\$ 5,400	\$ 3,287	\$ 2,113
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	5,400	5,400	<u>3,287</u>	<u>\$ 2,113</u>
Budgeted Cash Balance	<u>265</u>	<u>265</u>		
Total Revenue And Cash	<u>\$ 5,665</u>	<u>\$ 5,665</u>		
EXPENDITURES				
Public safety	\$ 5,400	\$ 5,830	\$ 3,226	\$ 2,604
Capital Leases	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	5,400	5,830	3,226	2,604
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 5,400</u>	<u>\$ 5,830</u>	<u>3,226</u>	<u>\$ 2,604</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			61	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 61</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Court Automation Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Fines and Forfeitures	\$ 10,950	\$ 10,950	\$ 6,773	\$ 4,177
Miscellaneous	-	-	-	-
Total Revenue	10,950	10,950	<u>6,773</u>	<u>\$ 4,177</u>
Budgeted Cash Balance	-	-		
Total Revenue And Cash	<u>\$ 10,950</u>	<u>\$ 10,950</u>		
EXPENDITURES				
Public Safety	\$ 10,950	\$ 10,950	\$ 6,674	\$ 4,276
Capital Leases	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	10,950	10,950	6,674	4,276
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Total Expenditures And Other Financing Sources	<u>\$ 10,950</u>	<u>\$ 10,950</u>	<u>6,674</u>	<u>\$ 4,276</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			99	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 99</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Lincoln County Transit Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ 173,000	\$ 173,000	\$ 94,797	\$ 78,203
Charges for Services	46,000	46,000	15,344	(30,656)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	219,000	219,000	<u>110,141</u>	<u>\$ 47,547</u>
Budgeted Cash Balance	<u>18,744</u>	<u>18,744</u>		
Total Revenue And Cash	<u>\$ 237,744</u>	<u>\$ 237,744</u>		
EXPENDITURES				
General Government	\$ 164,359	\$ 164,444	\$ 89,912	\$ 74,532
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	164,359	164,444	89,912	74,532
OTHER FINANCING SOURCES (USES)				
Transfers	<u>14,992</u>	<u>14,992</u>	<u>-</u>	<u>(14,992)</u>
Total Expenditures And Other Financing Sources	<u>\$ 149,367</u>	<u>\$ 149,452</u>	<u>89,912</u>	<u>\$ 89,524</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			20,229	
Reconciliation to GAAP Basis				
Changes in Accrued Payroll			(247)	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 19,982</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Emergency Medical Services Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ 7,939	\$ 7,939	\$ 7,939	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	7,939	7,939	<u>7,939</u>	<u>\$ -</u>
Budgeted Cash Balance	<u>1</u>	<u>1</u>		
Total Revenue And Cash	<u>\$ 7,940</u>	<u>\$ 7,940</u>		
EXPENDITURES				
Public Safety	\$ 7,939	\$ 7,939	\$ 6,419	\$ 1,520
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	7,939	7,939	6,419	1,520
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 7,939</u>	<u>\$ 7,939</u>	<u>6,419</u>	<u>\$ 1,520</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			1,520	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 1,520</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Street Improvement Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenue	-	-	-	<u>\$ -</u>
Budgeted Cash Balance	<u>248,557</u>	<u>248,557</u>		
Total Revenue And Cash	<u>\$ 248,557</u>	<u>\$ 248,557</u>		
EXPENDITURES				
Highways and Streets	\$ 40,000	\$ 40,000	\$ 31,646	\$ 8,354
Capital Outlay	-	-	-	-
Total Expenditures	40,000	40,000	31,646	8,354
OTHER FINANCING SOURCES (USES)				
Transfers	<u>5,004</u>	<u>5,004</u>	<u>5,004</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 34,996</u>	<u>\$ 34,996</u>	<u>26,642</u>	<u>\$ 8,354</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(26,642)	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (26,642)</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Gas Tax Road Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Taxes	\$ 13,904	\$ 13,904	\$ 12,896	\$ 1,008
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	13,904	13,904	<u>12,896</u>	<u>\$ 1,008</u>
Budgeted Cash Balance	<u>2</u>	<u>2</u>		
Total Revenue And Cash	<u>\$ 13,906</u>	<u>\$ 13,906</u>		
EXPENDITURES				
Highways and Streets	\$ -	\$ -	\$ -	\$ -
Capital Leases	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(13,904)</u>	<u>(13,904)</u>	<u>(12,896)</u>	<u>1,008</u>
Total Expenditures And Other Financing Sources	<u>\$ 13,904</u>	<u>\$ 13,904</u>	<u>12,896</u>	<u>\$ (1,008)</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			-	
Reconciliation to GAAP Basis				
Changes in Receivables			(113)	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (113)</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Fire Protection Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ 73,982	\$ 73,982	\$ 73,982	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	73,982	73,982	<u>73,982</u>	<u>\$ -</u>
Budgeted Cash Balance	<u>18,236</u>	<u>18,236</u>		
Total Revenue And Cash	<u>\$ 92,218</u>	<u>\$ 92,218</u>		
EXPENDITURES				
Public Safety	\$ 57,463	\$ 57,463	41,131	16,332
Capital Outlay	<u>17,620</u>	<u>17,620</u>	<u>2,628</u>	<u>14,992</u>
Total Expenditures	75,083	75,083	43,759	31,324
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 75,083</u>	<u>\$ 75,083</u>	<u>43,759</u>	<u>\$ 31,324</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			30,223	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 30,223</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
FEMA Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ -	\$ 27,824	\$ 27,823	\$ 1
Miscellaneous	-	-	-	-
Total Revenue	-	27,824	<u>27,823</u>	<u>\$ 1</u>
Budgeted Cash Balance	<u>23,116</u>	<u>23,116</u>		
Total Revenue And Cash	<u>\$ 23,116</u>	<u>\$ 50,940</u>		
EXPENDITURES				
Public Safety	\$ -	\$ -	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers	-	27,824	<u>(27,823)</u>	<u>(55,647)</u>
Total Expenditures And Other Financing Sources	<u>\$ -</u>	<u>\$ (27,824)</u>	<u>27,823</u>	<u>\$ 55,647</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			-	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Law Enforcement Protection Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Intergovernmental	\$ 23,600	\$ 23,600	\$ 23,600	\$ -
Miscellaneous	-	-	-	-
Total Revenue	<u>23,600</u>	<u>23,600</u>	<u>23,600</u>	<u>\$ -</u>
Budgeted Cash Balance	<u>5,035</u>	<u>5,035</u>		
Total Revenue And Cash	<u>\$ 28,635</u>	<u>\$ 28,635</u>		
EXPENDITURES				
Public Safety	\$ 3,600	\$ 6,427	\$ 2,826	\$ 3,601
Capital Outlay	<u>20,000</u>	<u>20,000</u>	<u>2,209</u>	<u>17,791</u>
Total Expenditures	<u>23,600</u>	<u>26,427</u>	<u>5,035</u>	<u>21,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Total Expenditures And Other Financing Sources	<u>\$ 23,600</u>	<u>\$ 26,427</u>	<u>5,035</u>	<u>\$ 21,392</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			18,565	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 18,565</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Lodger's Tax Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Taxes	\$ 187,500	\$ 187,500	\$ 181,011	\$ 6,489
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	187,500	187,500	<u>181,011</u>	<u>\$ 6,489</u>
Budgeted Cash Balance	<u>139,123</u>	<u>139,123</u>		
Total Revenue And Cash	<u>\$ 326,623</u>	<u>\$ 326,623</u>		
EXPENDITURES				
Culture, Recreation and Promotion	\$ 44,850	\$ 44,850	\$ 21,186	\$ 23,664
Capital Leases	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	44,850	44,850	21,186	23,664
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(128,750)</u>	<u>(128,750)</u>	<u>(128,090)</u>	<u>660</u>
Total Expenditures And Other Financing Sources	<u>\$ 173,600</u>	<u>\$ 173,600</u>	<u>149,276</u>	<u>\$ 23,004</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			31,735	
Reconciliation to GAAP Basis				
Changes in Receivables			14,739	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 46,474</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Recreation Fund
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenue	-	-	-	\$ -
Budgeted Cash Balance	8,353	8,353		
Total Revenue And Cash	\$ 8,353	\$ 8,353		
EXPENDITURES				
Culture and Recreation	\$ -	\$ -	\$ -	\$ -
Capital Leases	-	-	-	-
Capital Outlay	-	3,700	3,669	31
Total Expenditures	-	3,700	3,669	31
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Total Expenditures And Other Financing Sources	\$ -	\$ 3,700	3,669	\$ 31
Total Revenues (Expenditures and Other Financing Sources and Uses)			(3,669)	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			\$ (3,669)	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Infrastructure Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Taxes	\$ 125,188	\$ 128,155	\$ 119,581	\$ 8,574
Miscellaneous	-	-	-	-
Total Revenue	<u>125,188</u>	<u>128,155</u>	<u>119,581</u>	<u>\$ 8,574</u>
Budgeted Cash Balance	<u>196,945</u>	<u>196,945</u>		
Total Revenue And Cash	<u>\$ 322,133</u>	<u>\$ 325,100</u>		
EXPENDITURES				
Operating Expenses	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(40,000)</u>	<u>(40,000)</u>	-	<u>40,000</u>
Total Expenditures And Other Financing Sources	<u>\$ 40,000</u>	<u>\$ 40,000</u>	-	<u>\$ (40,000)</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			119,581	
Reconciliation to GAAP Basis				
Changes in Receivables			1,192	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 120,773</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
CDGB Grant Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
CDBG Grant	\$ 500,048	\$ 500,048	\$ -	\$ 500,048
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	500,048	500,048	<u>-</u>	<u>\$ 500,048</u>
Budgeted Cash Balance	<u>23,664</u>	<u>23,664</u>		
Total Revenue And Cash	<u>\$ 523,712</u>	<u>\$ 523,712</u>		
EXPENDITURES				
Capital Outlay	\$ 500,048	\$ 500,048	\$ 4,750	\$ 495,298
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	500,048	500,048	4,750	495,298
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 500,048</u>	<u>\$ 500,048</u>	<u>4,750</u>	<u>\$ 495,298</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(4,750)	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (4,750)</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Colonias Grant Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
CDBG Grant	\$ 656,216	\$ 656,216	\$ 336,215	\$ 320,001
State Grant	6,721	6,721	6,720	1
Loan Proceeds	<u>82,132</u>	<u>82,132</u>	<u>72,913</u>	<u>(9,219)</u>
Total Revenue	745,069	745,069	<u>415,848</u>	<u>\$ 310,783</u>
Budgeted Cash Balance	<u>90,000</u>	<u>90,000</u>		
Total Revenue And Cash	<u>\$ 835,069</u>	<u>\$ 835,069</u>		
EXPENDITURES				
Capital Outlay	\$ 800,285	\$ 800,285	\$ 431,788	\$ 368,497
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	800,285	800,285	431,788	368,497
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total Expenditures And Other Financing Sources	<u>\$ 800,285</u>	<u>\$ 800,285</u>	<u>406,788</u>	<u>\$ 343,497</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			9,060	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 9,060</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Taxes	\$ 113,573	\$ 113,573	\$ 95,163	\$ 18,410
Miscellaneous	-	-	-	-
Total Revenue	113,573	113,573	<u>95,163</u>	<u>\$ 18,410</u>
Budgeted Cash Balance	<u>82,065</u>	<u>82,065</u>		
Total Revenue And Cash	<u>\$ 195,638</u>	<u>\$ 195,638</u>		
EXPENDITURES				
Debt Service-Interest	\$ 46,863	\$ 46,863	44,020	\$ 2,843
Debt Service -Principal	50,000	50,000	50,000	-
Debt Administration	<u>4,211</u>	<u>4,211</u>	<u>3,794</u>	<u>417</u>
Total Expenditures	101,074	101,074	97,814	3,260
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	-
Total Expenditures And Other Financing Sources	<u>\$ 101,074</u>	<u>\$ 101,074</u>	<u>97,814</u>	<u>\$ 3,260</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			(2,651)	
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Changes in Payables			-	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (2,651)</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Joint Water and Sewer Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE				
Sales of Service	\$ 928,070	\$ 821,666	\$ 785,349	\$ 36,317
Taxes	470,000	577,834	512,299	65,535
Deposits Received	34,000	3,400	3,705	(305)
Other	<u>42,000</u>	<u>42,000</u>	<u>126,350</u>	<u>(84,350)</u>
Total Revenue	1,474,070	1,444,900	<u>1,427,703</u>	<u>\$ 17,197</u>
Budgeted Cash Balance	<u>1,725,656</u>	<u>1,725,656</u>		
Total Revenue And Cash	<u>\$ 3,199,726</u>	<u>\$ 3,170,556</u>		
EXPENDITURES				
Operating Expense	1,152,275	1,099,675	973,535	126,140
Capital Outlay	189,683	287,281	187,630	99,651
Loan Payments	42,115	24,150	33,473	(9,323)
Deposit Refunds	<u>2,000</u>	<u>2,000</u>	<u>1,920</u>	<u>80</u>
Total Expenditures	1,386,073	1,413,106	1,196,558	216,548
OTHER FINANCING SOURCES (USES)				
Transfers	<u>18,000</u>	<u>18,000</u>	<u>(25,000)</u>	<u>(43,000)</u>
Total Expenditures And Other Financing Sources	<u>\$ 1,368,073</u>	<u>\$ 1,395,106</u>	<u>1,221,558</u>	<u>\$ 259,548</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			206,145	
Reconciliation to GAAP Basis				
Changes in Receivables			(68,935)	
Changes in Inventory			(50,823)	
Reclass Capital Outlay			183,005	
Relcass Loan Proceeds			(72,913)	
Current Year Depreciation			(196,325)	
Changes in Accounts Payable			1,718	
Reclass Debt Service			22,811	
			200	
Changes in Accrued Payroll			(4,851)	
Changes in Accrued Compensation			3,205	
Excess (Deficiency) of Revenues over expenditures			<u>\$ 23,237</u>	

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

State of New Mexico
City of Ruidoso Downs
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgeted to Actual (Non-GAAP Budgetary Basis)
Sanitation Enterprise Fund
For The Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Sales of Service	\$ 180,000	\$ 193,236	\$ 193,236	\$ -
Taxes	52,776	49,090	49,090	-
Other	<u>9,000</u>	<u>9,660</u>	<u>9,660</u>	<u>-</u>
Total Revenue	241,776	251,986	<u>251,986</u>	<u>\$ -</u>
Budgeted Cash Balance	<u>41,459</u>	<u>41,459</u>		
Total Revenue And Cash	<u>\$ 283,235</u>	<u>\$ 293,445</u>		
EXPENDITURES				
Operating Expense	\$ 266,776	\$ 273,140	\$ 273,139	\$ 1
Capital Outlay	-	-	-	-
Deposit Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	266,776	273,140	273,139	1
OTHER FINANCING SOURCES (USES)				
Transfers	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Expenditures And Other Financing Sources	<u>\$ 241,776</u>	<u>\$ 248,140</u>	<u>248,139</u>	<u>\$ 1</u>
Total Revenues (Expenditures and Other Financing Sources and Uses)			3,847	
Reconciliation to GAAP Basis				
Changes in Receivables			(5,980)	
Changes in Payables			<u>-</u>	
Excess (Deficiency) of Revenues over expenditures			<u>\$ (2,133)</u>	

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

Pension Liability Supplementary Information

State of New Mexico
 City of Ruidoso Downs
 Schedule of the Proportionate Share of Net Pension Liability-General
 Pension Plan-Last 10 Fiscal Years
 June 30, 2015

	<u>2015</u>
City of Ruidoso Downs portion of net pension liability (asset)	0.15280%
City of Ruidoso Downs proportionate share of the net pension liability (asset)	\$ 1,192,004
City of Ruidoso Downs covered-employee payroll	\$ 1,256,930
City of Ruidoso Downs proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	95%
Plan fiduciary net position as a percentage of total pension liability	81.29%

**** The amounts presented were determined as of June 30, 2015. The Schedule is presented to illustrate the requirement to show information for 10 years. However, until all full 10 trend is compiled the City Ruidoso Downs will present information for those years for information which is available.**

State of New Mexico
 City of Ruidoso Downs
 Schedule of the Proportionate Share of Net Pension Liability-Fire
 PERA Pension Plan-Last 10 Fiscal Years
 June 30, 2015

	<u>2015</u>
City of Ruidoso Downs portion of net pension liability (asset)	0.02770%
City of Ruidoso Downs proportionate share of the net pension liability (asset)	\$ 115,620
City of Ruidoso Downs covered-employee payroll	\$ 30,683
City of Ruidoso Downs proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	377%
Plan fiduciary net position as a percentage of total pension liability	81.29%

** The amounts presented were determined as of June 30, 2015. The Schedule is presented to illustrate the requirement to show information for 10 years. However, until all full 10 trend is compiled the City Ruidoso Downs will present information for those years for information which is available.

State of New Mexico
 City of Ruidoso Downs
 Schedule of the Proportionate Share of Net Pension Liability-Police
 Pension Plan-Last 10 Fiscal Years
 June 30, 2015

	<u>2015</u>
City of Ruidoso Downs portion of net pension liability (asset)	0.15551%
City of Ruidoso Downs proportionate share of the net pension liability (asset)	\$ 506,913
City of Ruidoso Downs covered-employee payroll	\$ 278,931
City of Ruidoso Downs proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	182%
Plan fiduciary net position as a percentage of total pension liability	81.29%

** The amounts presented were determined as of June 30, 2015. The Schedule is presented to illustrate the requirement to show information for 10 years. However, until all full 10 trend is compiled the City Ruidoso Downs will present information for those years for information which is available.

**State of New Mexico
City of Ruidoso Downs
Schedule of Contributions, PERA Fund Division General
Pension Plan-Last 10 Fiscal Years
June 30, 2015**

	<u>2015</u>
Contractually required contribution	\$ 118,832
Contributions in relation to the contractually required contribution	<u>(118,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Ruidoso Downs covered-employee payroll	\$ 1,256,930
Contributions as a percentage of covered payroll	9.45%

****This Schedule is presented to illustrate the requirement to show information for a full 10 years. However, until a full 10 year trend is complied the City of Ruidoso Downs will present information for those years for information which is available.**

**State of New Mexico
 City of Ruidoso Downs
 Schedule of Contributions, PERA Fund Division Fire
 Pension Plan-Last 10 Fiscal Years
 June 30, 2015**

Contractually required contribution	\$ <u>2015</u> 6,638
Contributions in relation to the contractually required contribution	<u>(6,638)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Ruidoso Downs covered-employee payroll	\$ 30,683
Contributions as a percentage of covered payroll	21.63%

****This Schedule is presented to illustrate the requirement to show information for a full 10 years. However, until a full 10 year trend is complied the City of Ruidoso Downs will present information for those years for information which is available.**

**State of New Mexico
 City of Ruidoso Downs
 Schedule of Contributions, PERA Fund Division Police
 Pension Plan-Last 10 Fiscal Years
 June 30, 2015**

	<u>2015</u>
Contractually required contribution	\$ 51,283
Contributions in relation to the contractually required contribution	<u>(51,283)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Ruidoso Downs covered-employee payroll	\$ 278,931
Contributions as a percentage of covered payroll	18.39%

****This Schedule is presented to illustrate the requirement to show information for a full 10 years. However, until a full 10 year trend is complied the City of Ruidoso Downs will present information for those years for information which is available.**

**State of New Mexico
City of Ruidoso Downs
Notes to Required Supplemental Information
June 30, 2015**

Changes in benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 14 audit available at:

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202014.pdf).

Changes in assumptions.

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuations 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 .13% to the funded ratio. For details about changes in the actuarial assumptions see Appendix B on page 60 of the report.

Supplementary Information

State of New Mexico
 City of Ruidoso Downs
 Schedule of Deposits and Security Requirements
 June 30, 2015

Financial Institution	Account Name	Account Type	Reconciled Balance	O/S Deposits		O/S Checks		Balance On Deposit 06-30-15	FDIC Insurance	Not Insured By FDIC	Required Collateral	FMV of Collateral	Pledged Over(Short)					
				Balance	\$	Balance	\$							Balance	\$			
Compass Bank	Operations	Non Int Checking	4,298,920	\$	1,626	\$	120,666	\$	4,417,960	\$	250,000							
	Museum Credit	Non Int Checking	330,334	-	-	-	330,334	-	-	-								
	CDGB Grant	Non Int Checking	80,349	-	-	-	80,349	-	-	-								
	Grant Other	Non Int Checking	10	-	-	-	10	-	-	-								
	Water Deposit	Int Checking	77,404	-	-	660	78,064	78,064										
			4,787,017	\$	1,626	\$	121,326	\$	4,906,717	\$	328,064	\$	2,289,327	\$	3,800,000	\$	1,510,674	
			6,507															
			4,793,524															

Petty Cash and Returned Checks
 Total

Deposit Security

Description	ID #	Issue Date	Amount	Maturity Date
FHLB Atlanta Letter of Credit	62582	1/7/2015	\$ 3,800,000	1/7/2016
			\$ 3,800,000	

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

City of Ruidoso Downs
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Mary Castaneda Title: Finance/Procurement Director Date 12-15-2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of 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 N/A	Brief Description of the Scope of Work
RFP#13-01	Legal Services	H. John Underwood, LTD	162,760.70	162,760.70		Y		Legal Services
RFP# 2014-02	Engineering Services	Dennis Engineering, INC.	183,006.10	183,006.10		y		Engineering Services
RFB# SAP 13.1467.STB, 2781-CIF+MATCH, 2975-CIF.+MATCH	Construction Services	Renegade Construction, Inc.	699,476.36	699,476.36	200 Crawford BLVD, Las Cruces NM 88007/ PO Box 830, Fairacres, NM 88033	Y	N/A	Construction Agua Fria Wastewater Phase 1
RFB# SAP 13.1467.STB, 2781-CIF+MATCH, 2975-CIF.+MATCH	Construction Services				DuCross Construction, LLC 250 Crawford BLVD, Las Cruces, NM 88007/ PO Box 13230, Las Cruces, NM 88013	Y		Construction Agua Fria Wastewater Phase 1
RFB# SAP 13.1467.STB, 2781-CIF+MATCH, 2975-CIF.+MATCH	Construction Services				Gallardo Construction, LLC 748 W. Palms, Las Cruces NM 88007	Y		Construction Agua Fria Wastewater Phase 1
RFB# SAP 13.1467.STB, 2781-CIF+MATCH, 2975-CIF.+MATCH	Construction Services				Smithco Construction, 6 King Canyon Loop, Caballo, NM 87931/PO Box 45 Caballo NM 87931	Y		Construction Agua Fria Wastewater Phase 1
RFB# SAP 13.1467.STB, 2781-CIF+MATCH, 2975-CIF.+MATCH	Construction Services				Total Contracting Services, 2424 Filvera SW, Albuquerque NM 87105	Y		Construction Agua Fria Wastewater Phase 1

Compliance

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Capital Project funds, of the City of Ruidoso Downs as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Ruidoso Downs's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City of Ruidoso Downs, presented as supplemental information, and have issued our report thereon dated December 17, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ruidoso Downs's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests noted two instances of noncompliance which are identified as 2015-001 and 2015-002 on page 80 of this report.

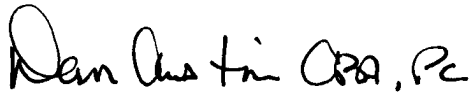
City of Ruidoso Downs's Response to Findings

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

Purpose of this Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the City of Ruidoso Downs as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Ruidoso Downs's basic financial statements, and the combining and individual and related budgetary comparisons of City of Ruidoso Downs, presented as supplemental information, and have issued our report thereon dated December 17, 2015.



December 17, 2015
Ruidoso, New Mexico

**STATE OF NEW MEXICO
CITY OF RUIDOSO DOWNS
SCHEDULE OF FINDINGS, RESPONSES AND OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2015**

Summary of Audit Results

Financial Statements:

1. Type of auditors' report issued **Unmodified**

2. Internal control over financial reporting:
 - a. Material weakness identified? **No**
 - b. Significant deficiencies identified not considered to be a material weaknesses? **No**
 - c. Noncompliance material to the financial statements noted? **No**

FINDINGS AND RECOMMENDATIONS-Financial Audit

Prior Year Findings:

None

Current Year Findings:

2015-001 Late Audit Report- Compliance Finding

Condition

The report was submitted February 8, 2016; the report was due to the Office of the State Auditor December 15, 2015.

Criteria

The 2015 State Audit Rules established a due date of December 15, 2015

Effect

The requirement to resubmit the report created a situation of noncompliance with the 2015 Audit Rule.

Cause

Additional time was required to compile various information needed to complete the report.

Recommendation

Insure the Auditor submits the report to the New Mexico Office of the State Auditor timely and in complete and in final form.

Response

The City will more closely monitor the the Report Submission by requiring status reports from the Auditor.

2015-002 Stale Dated Utility Fund Deposit Refund Check-Compliance Finding**Condition**

Bank reconcilements noted three stale dated utility refund checks that had not been forwarded to the State of New Mexico as unclaimed property.

Criteria

New Mexico Statutes require uncashed utility deposit refund checks older than one year to be forwarded to the State as unclaimed property.

Effect

Noncompliance with New Mexico Statutes.

Cause

Oversight

Recommendation

Establish polices and procedures to review bank reconcilements and transfer unclaimed property to the State of New Mexico on an annual basis.

Response

The City Finance Director will within thirty days remit the funds to to NMTR.

FINANCIAL STATEMENT PREPARATION

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

EXIT CONFERENCE

The exit conference was held at Ruidoso Downs City Hall on February 8, 2016. Present were Mayor Gary Williams, City Clerk Carol Virden, City Finance Director Mary Castaneda, and Dan Austin, CPA representing the audit firm. The report was discussed as well as other recommendations.