

STATE OF NEW MEXICO



ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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INTRODUCTORY SECTION

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OFFICIAL ROSTER
June 30, 2014

Name

Village Council

Title

Neal King

Mayor

Barbara Wiard

Mayor Pro-tem

Kathy Bennett

Council Member

J. Christopher Stagg

Council Member

Thomas Wittman

Council Member

Village Officials

Vanessa Chisholm

Village Clerk/Treasurer

Mark G. Fratrack

Village Administrator

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Village of Taos Ski Valley
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Village of Taos Ski Valley
Taos Ski Valley, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds and major capital project funds of Village of Taos Ski Valley (the "Village") as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise Village of Taos Ski Valley's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Village of Taos Ski Valley's nonmajor special revenue funds and the budgetary comparisons for the major capital project funds, nonmajor special revenue funds, debt service funds, and the enterprise 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Village of Taos Ski Valley's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Taos Ski Valley'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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Taos Ski Valley, as of June 30, 2014, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds, and major capital project funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor special revenue fund of Village of Taos Ski Valley as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, nonmajor special revenue funds, debt service funds, and the enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13-20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on Village of Taos Ski Valley'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014 on our consideration of the Village of Taos Ski Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Taos Ski Valley's internal control over financial reporting and compliance.

Precision Accounting, LLC

Precision Accounting, LLC
Albuquerque, New Mexico
September 29, 2014

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STATE OF NEW MEXICO
Village of Taos Ski Valley
Management's Discussion and Analysis
for the Year Ended June 30, 2014
Unaudited

As management of Village of Taos Ski Valley, we offer readers of Village of Taos Ski Valley financial statements this narrative overview and analysis of the financial activities of Village of Taos Ski Valley for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of Village of Taos Ski Valley and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets \$7,522,964 of Village of Taos Ski Valley exceeded its liabilities of \$2,074,702 at the close of the most recent fiscal year by \$5,448,262 (*net position*). Of this amount, \$1,043,121 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$446,016 during the fiscal year. The majority of this increase is due to the Village controlling expenditures. The Village also raised property taxes, which also contributed to the increase in net position.
- As of June 30, 2014, the Village's governmental funds reported combined ending fund balances of \$1,576,119 of this total; \$92,638 is restricted for capital projects and \$713,244 is restricted for special revenue

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Village of Taos Ski Valley's basic financial statements. Village of Taos Ski Valley'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 Village of Taos Ski Valley's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Village of Taos Ski Valley'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 Village of Taos Ski Valley 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 Village of Taos Ski Valley 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 Village of Taos Ski Valley include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the Village include Sewer, Water & Trash Utility billing and various licensing.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

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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. Village of Taos Ski Valley, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Village of Taos Ski Valley can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Village of Taos Ski Valley maintains eight individual governmental funds organized according to their type. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Lodger's Tax Fund, Infrastructure Fund, Law Enforcement Fund, Fire Fund, all of which are considered to be major funds. Data from the other nineteen 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.

Village of Taos Ski Valley adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Lodger's Tax Fund, Infrastructure Fund, Law Enforcement Fund, Fire 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 B-1 through D-3 of this report.

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

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 41-59 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 65-81 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the third year that the Village 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 Village of Taos Ski Valley, assets exceeded liabilities by \$4,775,963 at the close of the current fiscal year.

The largest portion of Village of Taos Ski Valley's net position represents the Village's investment of \$2,608,042 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding debt used to acquire those assets. Village of Taos Ski Valley uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Village of Taos Ski Valley'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.

Village of Taos Ski Valley's Net Position						
	June 30, 2014			June 30, 2013		
	Governmental	Business- Type	Total	Governmental	Business- Type	Total
Assets						
Current and other assets	\$ 2,703,121	\$ 396,243	\$ 3,184,830	\$ 1,013,310	\$ 803,980	\$ 1,817,290
Capital assets, net of accumulated depreciation	1,420,554	3,394,988	4,837,507	1,425,501	3,761,661	5,187,162
Total Assets	4,123,675	3,971,231	7,522,964	2,438,811	4,565,641	7,004,452
Liabilities						
Long-term liabilities outstanding	71,909	1,800,260	1,798,923	569,899	2,039,166	2,609,065
Other Liabilities	41,531	185,084	275,779	164,721	163,098	327,819
Total Liabilities	113,440	1,961,262	2,074,702	734,620	2,202,264	2,936,884
Net position						
Invested in capital assets, net of related debt	905,984	1,702,058	2,608,042	812,772	37,016	849,788
Restricted	919,246	205,554	1,124,800	412,972	-	412,972
Unrestricted	1,144,846	(101,725)	1,043,121	478,447	2,326,361	2,804,808
Total Net Position	2,970,076	1,805,887	4,775,963	1,704,191	2,363,377	4,067,568
Total Liabilities and Net Position	\$ 3,151,798	\$ 3,791,231	\$ 6,943,029	\$ 2,438,811	\$ 4,565,641	\$ 7,004,452

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A portion of Village of Taos Ski Valley'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, Village of Taos Ski Valley 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 Village of Taos Ski Valley's total net position increased by \$446,016 during the current fiscal year. This increase is explained in the government and business-type activities discussion below, and is primarily a result of increased expenses in the governmental activities and decreased expenses in the business-type activities during the fiscal year.

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

Analysis of Changes in Net Position	Governmental Activities	Business-Type Activities	Total
Revenue			
Program revenue			
Charges for Service	708,674	746,085	1,159,572
Operating grants and contributions	261,596	-	261,596
Capital Grants and Contributions	-	-	-
General Revenue			
Property Tax	445,371	-	445,371
Franchise Tax	-	-	-
Gross Receipts Tax	1,050,382	-	1,050,382
Motor Vehicle and Fuel Tax	307,526	-	307,526
Interest Income	1,306	141	1,447
Misc Revenues	572,184	(164)	126,208
Total Revenue	2,554,049	697,656	3,300,134
Expenses			
General Government	502,088	-	502,088
Public Safety	282,263	-	282,263
Culture and Recreation	261,212	-	261,212
Health and Welfare	74,523	-	74,523
Public Works	876,616	-	876,616
Interest on Long-term debt	-	-	-
Water Fund	-	896,787	896,787
Total Expenses	1,996,702	896,787	2,893,489
(Decrease) Increase in Assets before transfer	596,718	(150,701)	446,016
Transfers	(24,274)	(37,584)	-
(Decrease) Increase in Net position	634,302	(188,286)	446,016
Net position, Beginning of Year, restated	2,335,774	1,994,173	4,329,947
Ending Net position	2,970,076	1,805,887	4,775,963

Governmental activities: Governmental activities increased the Village of Taos Ski Valley's net position by \$634,302. The key element of this increase is a result of the Village controlling expenditures.

Business-type activities: Business-type activities decrease the Village's net position by \$188,286. The key element of this decrease was a decrease in revenues of \$153,780 or 17% and a decrease in expenditures of \$4,254 or 0.5%.

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Changes in Net Position
For the Year Ended June 30, 2013

	Governmental Activities	Business-Type Activities	Total
Revenue			
Program revenue			
Charges for Service	77,181	899,866	977,047
Operating grants and contributions	151,448	-	151,448
Capital Grants and Contributions	37,500	-	37,500
General Revenue			
Property Tax	192,615	-	192,615
Franchise Tax	-	-	-
Gross Receipts Tax	939,132	-	939,132
Public Service Tax	315,311	-	315,311
Interest Revenues	1,432	1,031	1,432
Misc Revenues	62,773	(35)	62,738
Total Revenue	1,777,392	900,862	2,678,254
Expenses			
General Government	834,155	-	834,155
Public Safety	244,249	-	244,249
Culture and Recreation	244,389	-	244,389
Health and Welfare	98,657	-	98,657
Public Works	154,723	-	154,723
Interest on Long-term debt	103,297	-	103,297
Joint Utilities	-	901,041	901,041
Total Expenses	1,679,470	901,041	2,580,511
(Decrease) Increase in Assets before transfer	97,922	(179)	97,743
Transfers	64,644	(64,644)	-
(Decrease) Increase in Net Position	162,566	(64,823)	97,743
Net position, Beginning of Year	1,704,191	2,363,377	4,067,568
Ending Net position	1,866,757	2,298,554	4,165,311

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FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental funds. The focus of Village of Taos Ski Valley's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Village of Taos Ski Valley'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 Village include the General Fund, Special Revenue Funds, and Capital Project Funds.

As of the end of the current fiscal year, Village of Taos Ski Valley's governmental funds reported combined ending fund balances of \$1,576,119, an increase of \$539,008 in comparison with the prior year. Of this amount, \$770,237 constitutes *unreserved fund balance*, which is available for spending at the government's discretion, \$713,244 constitutes reserved fund balances for special revenue funds and \$92,638 constitutes reserved fund balance for capital project funds.

Revenues for governmental activities overall totaled \$2,557,934 in the fiscal year ended June 30, 2013, which represents an increase of \$760,750 from the fiscal year ended June 30, 2012. Expenditures for governmental activities, totaling \$2,449,192, increased by \$665,474 from the fiscal year ended June 30, 2012. In the fiscal year ended June 30, 2013, expenditures exceed revenues by \$108,742.

The General Fund is the chief operating fund of Village of Taos Ski Valley. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$770,237, of which \$770,237 was unassigned.

The fund balance of Village of Taos Ski Valley's general fund increased by \$290,755 during the current fiscal year due to expenditures and operating transfers in excess of revenues. Overall, the general fund's performance resulted in revenues in excess of expenditures in the fiscal year ended June 30, 2013 due to an increase in general fund revenues.

Lodgers' Tax Fund. The Lodgers' Tax Fund has a fund balance \$167,330. The net increase in fund balance for the current year was \$59,027 increase in fund balance is due primarily to a better than expected revenue during ski season.

Capital Project Fund. The Capital Project Fund has a fund balance of \$92,638. The net decrease in fund balance for the year was \$443,044. The decrease was primarily due to an increase in expenditures.

Law Enforcement Fund. The Law Enforcement Fund has a fund balance of \$3,342. The net increase in fund balance of \$16,161 is due to carry over from prior year. The Village purchases police vehicles every other year.

Fire Fund. The Fire Fund has fund balance of \$259,112. The net increase in fund balance of \$28,467 is primarily due to increase in revenues and a decrease in expenditures.

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

At the end of the fiscal year, the net position for Water Fund was \$1,438,027. The total decrease in net position for the proprietary funds was \$(367,860). Factors concerning the finances of this fund have been addressed previously in the discussion of the Village's business-type activities.

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General Fund Budgetary Highlights

Village budgets reflect the same pattern as seen in the revenue and expenditures of the Village. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the Village level, Village of Taos Ski Valley utilizes goals and objectives defined by the Village Councilors, community input meetings, long term plans and input from various staff groups to develop the Village budget. Village priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

Final Budget	Actual non-GAAP Cash Basis	Favorable/(Unfavorable) Variance
\$1,112,439	\$1,027,010	\$130,609

During the budgeting process, the Village budgeted all expenditures under the general government line item. Throughout the year when expenditures were anticipated in other functions, the Village prepared BAR's to increase the budget for the general fund for those functions.

The Capital Project Funds (non-major) are included in the original budget which is submitted to the Department of Finance and Administration (DFA). However, these funds are spent on a project-by-project basis so the budgets are constantly changing. The individual project budgets for these funds are created during the year through budget adjustment requests (BAR's).

Capital Asset and Debt Administration

Capital assets. Village of Taos Ski Valley's capital assets for its governmental and business-type activities as of June 30, 2013 amount to \$4,837,507 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment and vehicles. There was \$103,679 increase in the Village's capital assets (excluding accumulated depreciation) for the current fiscal year due primarily to participation in a road project and the purchase of an all in one copier. There was \$10,200 increase (excluding accumulated depreciation) in business-type capital assets during the current fiscal year.

Capital Assets, June 30, 2014

	Governmental Total Activities	Business-like Activities		
Infrastructure	\$ 764,037	\$ -	\$	764,037
Land	130,000	108,378		238,378
Construction in Progress	274,156	955,436		1,229,592
Buildings and improvements	194,502	199,738		394,240
Vehicles	-	134,582		134,582
Easements	-	33,196		33,196
Water and Sanitation Plant	-	4,681,834		4,681,834
Machinery & equipment	1,239,189	1,074,502		2,313,691
Total capital assets	2,601,884	7,187,666		9,789,550
Accumulated depreciation	1,159,365	3,792,678		4,952,043
Capital assets, net of accumulated depreciation	\$ 1,442,519	\$ 3,394,988	\$	4,837,507

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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 Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration- At the end of the current fiscal year, Village of Taos Ski Valley had total long-term obligations outstanding of \$1,697,969. Of this amount, \$1,246,542 is loan with the gross revenue from utility operations pledged to pay the payments.

Village of Taos Ski Valley's Outstanding Debt
As of June 30, 2014

	Governmental Activities	Business-like Activities	Total
Wastewater Facility Construction	\$ -	\$ 1,246,542	\$ 1,246,542
2011 Case Loader	5,039	10,078	15,117
NMFA Multipurpose Building	-	-	-
Water Project Fund	-	436,310	436,310
Total long-term liabilities	\$ 5,039	\$ 1,692,930	\$ 1,697,969

See Note 7 in the accompanying Notes to the Financial Statements for further information regarding Village of Taos Ski Valley's long-term debt.

Economic Factors and Next Year's Budgets and Rates

There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the Village's financial position or operations. Mil levy rates were increased in an effort to restore reserve funds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Village of Taos Ski Valley'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:

Village of Taos Ski Valley Administration, Village of Taos Ski Valley, P.O. Box 100, 7 Firehouse Rd, Taos Ski Valley, New Mexico, 87525.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF NET POSITION
June 30, 2014

Exhibit A-1

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 2,560,899	\$ 343,175	\$ 2,904,074
Taxes receivable	70,520	-	70,520
Accounts receivable	71,702	63,370	135,072
Inventory	-	75,164	75,164
	<u>2,703,121</u>	<u>481,709</u>	<u>3,184,830</u>
Total Current Assets			
Noncurrent Assets			
Capital assets	2,659,366	6,912,157	9,571,523
Less: accumulated depreciation	<u>(1,238,812)</u>	<u>(3,994,577)</u>	<u>(5,233,389)</u>
	<u>1,420,554</u>	<u>2,917,580</u>	<u>4,338,134</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 4,123,675</u>	<u>\$ 3,399,289</u>	<u>\$ 7,522,964</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF NET POSITION
June 30, 2014

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 31,110	\$ 51,217	\$ 82,327
Accrued salaries and benefits	8,391	31,708	40,099
Accrued interest	-	21,036	21,036
Current portion of loans/bonds payable	-	100,363	100,363
Unearned Revenue-prepayment of utility accounts	2,030	29,924	31,954
Total Current Liabilities	41,531	234,248	275,779
Noncurrent Liabilities			
Connection charges Payable	-	215,520	215,520
Accrued Compensated Absences	71,909	27,117	99,026
Loans/bonds payable	-	1,484,377	1,484,377
Total Noncurrent Liabilities	71,909	1,727,014	1,798,923
Total Liabilities	113,440	1,961,262	2,074,702
Deferred inflows of resources			
Unavailable revenue-property taxes	54,995	-	54,995
Total Deferred inflows of resources	54,995	-	54,995
Net Position			
Net Investment in Capital Assets	1,420,904	1,332,840	2,753,744
Restricted for:			
Capital projects	535,682	-	535,682
Special revenue funds	839,259	-	839,259
Debt Service funds	-	241,118	241,118
Unrestricted	1,159,395	(135,931)	1,023,464
Total Net Position	3,955,240	1,438,027	5,393,267
Total Liabilities, Deferred inflows of resources and Net Position	\$ 4,123,675	\$ 3,399,289	\$ 7,467,969

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2014

Exhibit A-2

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government			
General government	\$ 808,476	\$ 7,462	\$ 90,000
Public safety	273,315	909	112,836
Public works	934,178	642,530	58,760
Culture and recreation	247,544	528	-
Health and welfare	74,088	57,245	-
Interest on long-term debt	-	-	-
<i>Total governmental activities</i>	2,337,601	708,674	261,596
Business-type Activities:			
Joint Utilities	1,089,790	697,679	-
<i>Total business type activities</i>	1,089,790	697,679	-
<i>Total</i>	\$ 3,427,391	\$ 1,406,353	\$ 261,596

General Revenues:

Taxes

Property taxes, levied for general purposes

Gross receipts taxes

Public service taxes

Interest income

Miscellaneous income

Transfers

Total General Revenues and Transfers

Changes in net position

Net position, beginning

Net position, ending

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2014

Exhibit A-2

<u>Program Revenues</u>	<u>Net Program (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ -	\$ (711,014)	\$ -	\$ (711,014)
-	(159,570)	-	(159,570)
-	(232,888)	-	(232,888)
-	(247,016)	-	(247,016)
-	(16,843)	-	(16,843)
-	-	-	-
-	(1,367,331)	-	(1,367,331)
-	-	(392,111)	(392,111)
-	-	(392,111)	(392,111)
<u>\$ -</u>	<u>(1,367,331)</u>	<u>(392,111)</u>	<u>(1,759,442)</u>
	445,371	-	445,371
	1,050,382	-	1,050,382
	307,526	-	307,526
	1,306	141	1,447
	572,184	(164)	572,020
	(24,274)	24,274	-
	<u>2,352,495</u>	<u>24,251</u>	<u>2,376,746</u>
	985,164	(367,860)	617,304
	<u>2,970,076</u>	<u>1,805,887</u>	<u>4,775,963</u>
<u>\$ -</u>	<u>\$ 3,955,240</u>	<u>\$ 1,438,027</u>	<u>\$ 5,393,267</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Lodgers' Tax Fund	Municipal Street Fund	Capital Project Funds	Other Governmental Funds	Total
<i>Assets</i>						
Cash and cash equivalents	\$ 28,805	\$ 23,678	\$ 15	\$ 533,774	\$ 192,240	\$ 778,512
Investments	1,219,446	198,639	-	-	364,302	1,782,387
Accounts and taxes receivable	66,480	-	-	-	-	66,480
Other receivables	56,751	4,040	5,834	1,908	7,209	75,742
<i>Total assets</i>	<u>\$ 1,371,482</u>	<u>\$ 226,357</u>	<u>\$ 5,849</u>	<u>\$ 535,682</u>	<u>\$ 563,751</u>	<u>\$ 2,703,121</u>
<i>Liabilities and fund balances</i>						
<i>Liabilities</i>						
Accounts payable	\$ 7,395	\$ -	\$ 17,384	\$ -	\$ 6,331	\$ 31,110
Accrued salaries and benefits	8,391	-	-	-	-	8,391
Accrued compensated absences	-	-	-	-	-	-
Unearned revenue	2,030	-	-	-	-	2,030
Due to other governments	-	-	-	-	-	-
<i>Total liabilities</i>	<u>17,816</u>	<u>-</u>	<u>17,384</u>	<u>-</u>	<u>6,331</u>	<u>41,531</u>
<i>Deferred inflows of resources</i>						
Unavailable revenue-property taxes	54,995	-	-	-	-	54,995
<i>Total deferred inflows of resources</i>	<u>54,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,995</u>
<i>Fund Balances</i>						
Fund Balance						
Restricted for:						
General Fund	-	-	-	-	-	-
Special Revenue Funds	-	226,357	(11,535)	-	557,420	772,242
Capital Projects Funds	-	-	-	535,682	-	535,682
Debt Service Funds	-	-	-	-	-	-
Committed for:						
General Fund	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-
Assigned for:						
General Fund	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-
Unassigned for:						
General Fund	1,298,671	-	-	-	-	1,298,671
<i>Total fund balances</i>	<u>1,298,671</u>	<u>226,357</u>	<u>(11,535)</u>	<u>535,682</u>	<u>557,420</u>	<u>2,606,595</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,371,482</u>	<u>\$ 226,357</u>	<u>\$ 5,849</u>	<u>\$ 535,682</u>	<u>\$ 563,751</u>	<u>\$ 2,703,121</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
RECONCILIATION OF BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014

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

Fund balances - total governmental funds	\$ 2,606,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,420,554
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued compensated absences	<u>(71,909)</u>
Net position of governmental activities	<u><u>\$ 3,955,240</u></u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
For the Year Ending June 30, 2014

	General Fund	Lodgers' Tax Fund	Municipal Street Fund	Capital Project Fund	Other Governmental Funds	Total
<i>Revenues:</i>						
Taxes						
Gross receipts taxes	\$ 869,650	\$ -	81,722	\$ -	\$ 19,819	\$ 971,191
Property taxes	445,371	-	-	-	-	445,371
Lodgers' Tax	-	301,860	-	-	-	301,860
Gasoline tax	-	-	5,666	-	-	5,666
State Grant Income	-	-	43,616	703,861	112,836	860,313
Charges for Services	90,000	-	15,792	9,084	64,284	179,160
Licenses and Fees	11,532	-	-	-	-	11,532
Investment Income (Loss)	412	143	8	-	474	1,037
Miscellaneous	81,916	(583)	10,194	467,444	5,203	564,174
	<u>1,498,881</u>	<u>301,420</u>	<u>156,998</u>	<u>1,180,389</u>	<u>202,616</u>	<u>3,340,304</u>
<i>Expenditures:</i>						
<i>Current:</i>						
General Government	777,261	-	-	-	-	777,261
Public Safety	186,436	-	-	-	81,751	268,187
Public Works	-	-	267,445	681,324	5,039	953,808
Culture and Recreation	-	242,393	-	-	528	242,921
Health and Welfare	-	-	-	-	-	-
Capital Outlay	-	-	-	-	43,377	43,377
<i>Debt Service:</i>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
	<u>963,697</u>	<u>242,393</u>	<u>267,445</u>	<u>681,324</u>	<u>130,695</u>	<u>2,285,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>535,184</u>	<u>59,027</u>	<u>(110,447)</u>	<u>499,065</u>	<u>71,921</u>	<u>1,054,750</u>
<i>Other financing sources (uses)</i>						
Transfers (Out)	(389,305)	-	(5,000)	-	(70,675)	(464,980)
Transfers In	382,555	-	33,887	(56,021)	80,285	440,706
<i>Total other financing sources (uses)</i>	<u>(6,750)</u>	<u>-</u>	<u>28,887</u>	<u>(56,021)</u>	<u>9,610</u>	<u>(24,274)</u>
<i>Net change in fund balance</i>	528,434	59,027	(81,560)	443,044	81,531	1,030,476
<i>Fund balance - beginning of year</i>	<u>770,237</u>	<u>167,330</u>	<u>70,025</u>	<u>92,638</u>	<u>475,889</u>	<u>1,576,119</u>
<i>Fund balance - end of year</i>	<u>\$ 1,298,671</u>	<u>\$ 226,357</u>	<u>\$ (11,535)</u>	<u>\$ 535,682</u>	<u>\$ 557,420</u>	<u>\$ 2,606,595</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2014

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

Net change in fund balances - total governmental funds	\$	1,030,476
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital expenditures		57,482
Depreciation expense		(79,447)
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Increase in accrued interest		(23,335)
Principal payments on notes payable		5,039
Increase in accrued compensated absences		(5,051)
		(23,347)
Change in net position of governmental activities	\$	985,164

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,091,000	\$ 1,130,000	\$ 1,291,778	\$ 161,778
State Grant Income	-	-	-	-
Charges For Services	90,000	90,000	90,000	-
Licenses and Fees	10,463	13,931	14,219	288
Interest Income	100	100	412	312
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	75,700	75,700
<i>Total revenues</i>	<u>1,191,563</u>	<u>1,234,031</u>	<u>1,472,109</u>	<u>238,078</u>
<i>Expenditures:</i>				
Current:				
General Government	941,262	919,530	790,669	128,861
Public Safety	192,909	192,909	186,788	6,121
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,134,171</u>	<u>1,112,439</u>	<u>977,457</u>	<u>134,982</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>57,392</u>	<u>121,592</u>	<u>494,652</u>	<u>373,060</u>
<i>Other financing sources (uses)</i>				
Designated Cash	395,974	331,774	-	(331,774)
Transfers In	(453,366)	(453,366)	382,555	835,921
Transfers Out	(369,140)	369,140	(389,305)	(758,445)
<i>Total other financing sources (uses)</i>	<u>(426,532)</u>	<u>247,548</u>	<u>(6,750)</u>	<u>(254,298)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>(369,140)</u>	<u>369,140</u>	<u>487,902</u>	<u>118,762</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>760,349</u>	<u>760,349</u>
<i>Cash Balance - End of Year</i>	<u>\$ (369,140)</u>	<u>\$ 369,140</u>	<u>\$ 1,248,251</u>	<u>\$ 879,111</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			44,315	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>(3,783)</u>	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ 528,434</u>	

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
LODGERS TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 270,000	\$ 270,000	\$ 301,860	\$ 31,860
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	120	120	143	23
Miscellaneous	-	-	123	123
<i>Total revenues</i>	270,120	270,120	302,126	32,006
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	269,750	269,750	242,393	27,357
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	269,750	269,750	242,393	27,357
<i>Excess (deficiency) of revenues over expenditures</i>	370	370	59,733	59,363
<i>Other financing sources (uses)</i>				
Designated Cash	(370)	(370)	-	370
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(370)	(370)	-	370
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	59,733	59,733
<i>Cash Balance - Beginning of Year</i>	-	-	162,584	162,584
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 222,317	\$ 222,317
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(706)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 59,027	

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
MUNICIPAL STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 66,250	\$ 66,250	\$ 80,525	\$ 14,275
State Grant Income	43,616	43,616	44,179	563
Charges For Services	19,908	19,908	18,130	(1,778)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	8	8
Miscellaneous	-	-	10,194	10,194
<i>Total revenues</i>	<u>129,774</u>	<u>129,774</u>	<u>153,036</u>	<u>23,262</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	304,385	304,385	252,548	51,837
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>304,385</u>	<u>304,385</u>	<u>252,548</u>	<u>51,837</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(174,611)</u>	<u>(174,611)</u>	<u>(99,512)</u>	<u>75,099</u>
<i>Other financing sources (uses)</i>				
Designated Cash	174,611	174,611	-	(174,611)
Transfers (In) Out	5,000	(5,000)	28,887	33,887
<i>Total other financing sources (uses)</i>	<u>179,611</u>	<u>169,611</u>	<u>28,887</u>	<u>(140,724)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	5,000	(5,000)	(70,625)	(65,625)
<i>Cash Balance - Beginning of Year</i>	<u>68,325</u>	<u>68,325</u>	<u>70,640</u>	<u>2,315</u>
<i>Cash Balance - End of Year</i>	<u>\$ 73,325</u>	<u>\$ 63,325</u>	<u>\$ 15</u>	<u>\$ (63,310)</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			1,306	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>(12,241)</u>	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ (81,560)</u>	

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2014

Assets	
Current Assets	
Cash and cash equivalents	\$ 343,175
Accounts receivable, net of allowance	63,370
Inventory	<u>75,164</u>
Total Current Assets	<u>481,709</u>
Noncurrent Assets	
Capital assets	6,912,157
Less: accumulated depreciation	<u>(3,994,577)</u>
Total Noncurrent Assets	<u>2,917,580</u>
Total Assets	<u><u>\$ 3,399,289</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 51,217
Accrued salaries and benefits	52,744
Accrued compensated absences	-
Current portion loans/bonds payable	100,363
Unearned revenue	<u>29,924</u>
Total Current Liabilities	<u>234,248</u>
Noncurrent Liabilities	
Connection charges Payable	215,520
Accrued Compensated Absences	27,117
Loans/bonds payable	<u>1,484,377</u>
Total Noncurrent Liabilities	<u>1,727,014</u>
Total Liabilities	<u>1,961,262</u>
Net Position	
Net Investment in Capital Assets	1,332,840
Restricted for:	
Debt service	241,118
Unrestricted	<u>(135,931)</u>
Total Net Position	<u>1,438,027</u>
Total Net Position and Liabilities	<u><u>\$ 3,399,289</u></u>

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

<i>Operating revenues:</i>	
Charges for services	\$ 696,714
	<u>696,714</u>
<i>Total operating revenues</i>	<u>696,714</u>
<i>Operating expenses:</i>	
Operating Expenses	413,524
Travel	1,596
Depreciation	201,899
Purchases for Resale	697
Contract Services	163,710
Salaries	223,806
Supplies	63,522
	<u>1,068,754</u>
<i>Total operating expenses</i>	<u>1,068,754</u>
<i>Operating income (loss)</i>	<u>(372,040)</u>
<i>Non-operating revenues (expenses):</i>	
Interest Income	263
Governmental grants	679
Interest expense	(21,036)
	<u>(20,094)</u>
<i>Total non-operating revenues (expenses)</i>	<u>(20,094)</u>
<i>Income (loss) before transfers</i>	(392,134)
Transfers	24,274
	<u>24,274</u>
<i>Change in net position</i>	(367,860)
<i>Net position, beginning of year</i>	<u>1,805,887</u>
<i>Net Position, end of year</i>	<u>\$ 1,438,027</u>

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Water Fund
<i>Cash flows from operating activities:</i>	
Cash received from user charges	\$ 688,091
Cash payments to employees for services	(264,228)
Cash payments to suppliers for goods and services	(850,763)
Depreciation	201,899
<i>Net cash provided by operating activities</i>	(225,001)
<i>Cash flows from capital and related financing activities:</i>	
Acquisition of capital assets	679,926
Proceeds from loan	(277,164)
Principal paid on debt	(108,190)
Transfers from other funds	24,274
Interest paid on debt	(21,036)
<i>Net cash used by financing activities:</i>	297,810
<i>Cash flows from capital and related investing activities:</i>	
Interest earned	-
<i>Net cash used by investing activities:</i>	-
<i>Net decrease in cash and cash equivalents</i>	72,809
<i>Cash and cash equivalents - beginning of year</i>	270,366
<i>Cash and cash equivalents - end of year</i>	\$ 343,175
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>	
<i>by operating activities</i>	
Operating income (loss)	\$ (372,040)
Adjustments to reconcile operating (loss) to net cash (used)	
by operating activities	
Depreciation	201,899
Changes in assets and liabilities	
Receivables	(8,623)
Inventory	4,034
Accrued expenses	(41,096)
Accounts payable	(9,849)
Accrued compensated absences	674
<i>Net cash (used) by operating activities</i>	\$ (225,001)

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies

The Village of Taos Ski Valley (“Village”) was incorporated in 1996, under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The Village operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The Village of Taos Ski Valley is a body politic and corporate under the name and form of government selected by its qualified electors. The Village may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the Village is presented to assist in the understanding of the Village’s financial statements. The financial statements and notes are the representation of the Village’s management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the Village’s accounting policies are described below.

A. Financial Reporting Entity

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

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

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

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1.

B. Government-wide and fund financial statements

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement no. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1.

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the Village is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund, Lodgers' Tax Fund, Infrastructure Fund, Municipal Street Fund, and Capital Project Fund. No other funds were required to be presented as major at the discretion of management.

General Fund – the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

Lodgers Tax Fund (Special Revenue Fund)– to account for the operations of a special fund to promote tourist operations in the Village. Financing is provided by a special lodger's tax charged on all transient lodging in the Village. A portion of the tax collected must be used to promote the Village. Funding authority is NMSA 1978 Section 3-38-15.

Capital Project Fund– to account for the operations and maintenance of funds restricted for the repair and replacement of infrastructure improvements. Financing is provided by a ½ of 1% tax on the gross receipts within the Village. The Funds may be used for street repairs and replacements, or for the acquisition of right-of-way. Authority is NMSA 7-20E-19.

Municipal Streets Fund- to account for the collection of a quarter cent sales tax imposed by the Village Council to fund the construction and maintenance of streets within the Village limits.

The government reports its Water Fund (Proprietary funds) as a major business-type fund. Additionally, the government reports the following fund types:

The *fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The Village has no fiduciary funds.

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

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Program revenues reduce the cost of the function to be financed from the Village's general revenues. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for services for the Village's water & sewer utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Village's policy to use the restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

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

Investments for the Village are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. D. Assets, Liabilities, and Net Position or Equity (continued)

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building Improvements	30
Infrastructure	40
Vehicles	5
Office Equipment	5

Unearned Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as Unearned Revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

Deferred Inflow/Outflows of Resources: GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period. Property taxes levied but not received are recorded as deferred inflows of resources unless the amount is undetermined.

Compensated Absences: Qualified employees are entitled to accumulate compensated absences earned. Employees may accumulate annual leave up to 320 hours per fiscal year. Any hours over 320, but not more than 80 hours, may be paid to the employee at the end of the calendar year if the Village has the funds available. Exempt employees will be allowed to carry over all unused annual leave. Upon termination, employees will be paid for all hours of current year accrued annual leave not yet taken. Qualified employees are entitled to accumulate sick leave at a rate (8) eight hours per month. Sick leave can be carried over from year to year and up to 700 hours can be accrued. Upon termination employees receive no pay for sick time accumulated.

All vacation pay and applicable accumulated sick leave is accrued when incurred in the governmental-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of services by employees.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

D. Assets, Liabilities, and Net Position or Equity (continued)

Net Position or Fund Equity:

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

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

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from a fund that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Revenues: The Village receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Village recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Village records only the portion of the taxes considered 'measureable' and 'available' in the governmental fund financial statements. Descriptions of the individual general, debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The Village is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The Village Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014 is presented as part of the budgetary statements.

NOTE 3. Deposits and Investments

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The Village of Taos Ski Valley has an interest bearing account.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. Deposits and Investments (continued)

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the Village's deposits.

Type	<u>Centinel Bank</u>
General Checking, Interest Bearing	\$ 471,914
Total Deposits	471,914
Less: FDIC Coverage	<u>(250,000)</u>
Total uninsured public funds	<u>221,914</u>
50% Collateral requirement	110,957
Pledged Securities	270,000
(Over)Under collateralized	(83,957)
Custodial Credit Risk-Deposits	
Account Balance	\$ 471,914
FDIC Insured	250,000
Pledged Collateral:	
Collateral held by the pledging bank, not in the Village's name	
Uninsured and uncollateralized	<u>221,914</u>
Total Deposits	<u><u>\$ 471,914</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$221,914 of the Village's bank balance of \$471,914 was exposed to custodial credit risk.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

Reconciliation of Cash and Temporary Investments

Carrying amounts by fund per financial statement at June 30, 2014 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit B-1	\$2,560,899
Cash and cash equivalents per Exhibit D-1	343,175
Add outstanding deposits and checks	13,704
Less Petty Cash	(200)
Less State Treasurers LGIP reflected in investments	<u>(2,445,664)</u>
	<u><u>\$ 471,914</u></u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. Deposits and Investments (continued)

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that in the event of counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village does not have an investment policy for custodial credit risk. The Village’s investments are in certificates of deposits and investment in the State Treasurer’s Local Government Investment Pool (LGIP). The LGIP is not subject to custodial credit risk and the custodial credit risk for the certificates of deposits is contemplated in *custodial risk – cash*.

Interest Rate Risk and Credit Rating- Investment in State Treasurer’s LGIP

The Village does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The Village’s investments at June 30, 2014 include the following:

State Treasurer LGIP	AAAm	59-day WAM (r)	<u>\$ 2,445,664</u>
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The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distributed dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2014. Participation in the Local Government Investment Pool is voluntary.

NM State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least 102% of the amount on deposit with the institution. There are no repurchase agreements for the year ended June 30, 2014.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

The Village utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, Proprietary, and Agency Funds are all in multiple accounts.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4. Receivables

Receivables as of June 30, 2014, are as follows:

	General Fund	Lodger's Tax Fund	Municipal Streets Fund	Capital Projects Fund	Other Governmental Funds	Total
Property Taxes Receivables	\$ 66,480	\$ -	\$ -	\$ -	\$ -	\$ 66,480
Due from other governments:	-	-	-	-	-	-
Other accounts receivable	56,751	4,040	5,834	1,908	7,209	75,742
	<u>\$ 123,231</u>	<u>\$ 4,040</u>	<u>\$ 5,834</u>	<u>\$ 1,908</u>	<u>\$ 7,209</u>	<u>\$ 142,222</u>

	<u>Water Fund</u>
Accounts receivable, net of allowance of \$0	<u>\$ 63,370</u>
Total	<u>\$ 63,370</u>

The above receivables are deemed 100% collectible. In accordance with GASB No.33, property tax receivables are presented net of unearned revenue in the governmental balance sheet. In accordance with GASB No.65, Deferred inflows of resources accounts for delinquent property taxes that are due to the Village but that have not been remitted to the Village. The deferred inflows of resources totaling \$54,995, is presented in the general fund.

Interfund Receivables, Payables, and Transfers

The outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Village Council authorizes transfers between funds to cover the expenditures in the receiving funds. Interfund balances are due within one year. Transfers are a result of the Village transferring money from the general fund and the Water Fund to cover expenditures in other funds.

Due from other funds	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
None at June 30, 2014	\$ -	\$ -
Transfers	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 382,555	\$ 389,305
Environmental Gross Receipts	-	500
EMS Fund	10,246	-
Municipal Street Fund	33,887	5,000
Other Funds	-	5,175
Capital Projects Fund	-	56,021
Debt Service Fund	5,039	-
Water Fund	242,067	217,793
Total	<u>\$ 738,794</u>	<u>\$ 738,794</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 5. Accounts Payables

Accounts payable as of June 30, 2014, are as follows:

Payable to suppliers	\$ 31,110
Accrued salaries and taxes	<u>8,391</u>
Total accounts payable and accrued expenses	<u><u>\$ 39,501</u></u>

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows.

Governmental Activities	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 130,000	\$ -	\$ -	\$ 130,000
Construction in Progress	<u>274,156</u>	<u>-</u>	<u>-</u>	<u>274,156</u>
Total capital assets not being depreciated	<u>404,156</u>	<u>-</u>	<u>-</u>	<u>404,156</u>
Capital assets being depreciated:				
Buildings & Improvements	205,198	-	10,696	194,502
Machinery & equipment	1,228,493	25,515	-	1,254,008
Infrastructure	<u>764,037</u>	<u>42,663</u>	<u>-</u>	<u>806,700</u>
Total capital assets being depreciated	<u>2,197,728</u>	<u>68,178</u>	<u>10,696</u>	<u>2,255,210</u>
Total Capital Assets	<u>2,601,884</u>	<u>68,178</u>	<u>10,696</u>	<u>2,659,366</u>
Less accumulated depreciation:				
Buildings & Improvements	75,648	4,863	-	80,511
Machinery & equipment	986,004	55,483	-	1,041,487
Infrastructure	<u>97,713</u>	<u>19,101</u>	<u>-</u>	<u>116,814</u>
Total Accumulated Depreciation	<u>1,159,365</u>	<u>79,447</u>	<u>-</u>	<u>1,238,812</u>
Total capital assets net of depreciation	<u><u>\$ 1,442,519</u></u>	<u><u>(11,269)</u></u>	<u><u>\$ 10,696</u></u>	<u><u>\$ 1,420,554</u></u>

Capital assets, net of accumulated depreciation, at June 30, 2014 appear in the Statement of Net Position as follows:

Governmental activities	\$ 1,420,554
-------------------------	--------------

Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

General Government	\$ 1,695
Public Safety	19,101
Public Works	24,837
Culture and Recreation	-
Health and Welfare	<u>33,814</u>
Total depreciation expense governmental funds	<u><u>\$ 79,447</u></u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 6. Capital Assets (continued)

Business-Like Activities	June 30, 2013	Additions	Deletions	June 30, 2014
Capital assets, not being depreciated				
Land	\$ 108,378	-	-	\$ 108,378
Easements	33,196	-	-	33,196
Construction in progress	955,436	-	955,436	-
Total Capital assets, not being depreciated	1,097,010	-	-	141,574
Water and Sanitation Plant	4,681,834	679,926	-	5,361,760
Building & Improvements	199,738	-	-	199,738
Machinery & equipment	1,074,502	-	-	1,074,502
Vehicles	134,582	-	-	134,582
Total Capital assets being depreciated	6,090,656	679,926	-	6,770,582
Total Capital Assets	7,187,666	679,926	955,436	6,912,156
Water and Sanitation Plant	2,749,488	137,108	-	2,886,596
Building & Improvements	162,838	8,427	-	171,265
Machinery & equipment	750,520	55,364	-	805,884
Vehicles	129,832	1,000	-	130,832
Total Accumulated Depreciation	3,792,678	201,899	-	3,994,577
			\$	
Total capital assets net of depreciation	\$ 3,394,988	\$ 478,027	955,436	\$ 2,917,579

Depreciation expense relating to business-like activities for the year ended June 30, 2014 totaled \$201,899.

NOTE 7. Long-term Debt

During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Activities	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
2009 Case Loader	\$ 14,724	\$ -	\$ 5,039	\$ -	\$ -
Compensated Absences	67,479	30,487	26,057	71,909	-
Total Long-Term Debt	\$ 82,203	\$ 30,487	\$ 31,096	\$ 71,909	-

In prior years, the General Fund has typically liquidated the compensated absences.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 7. Long-term Debt (continued)

Business-type Activities:

Description	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Wastewater Facility Loan	\$ 1,246,542	\$ -	\$ 72,956	\$ 1,173,586	\$ 75,144
2009 Case Loader	10,078	-	10,078	-	-
Water Project Fund	436,310	-	25,156	411,154	25,219
Compensated Absences	23,878	14,739	11,500	27,117	-
Total	\$ 1,716,808	\$ 14,739	\$ 119,690	\$ 1,611,857	\$ 100,363

In addition to the Village's Long Term Debt, they have a long term accrued liability for connection charges payable of \$215,520 at June 30, 2014. Payments on these payables will be made upon termination of services by customers.

The annual requirements to amortize the Wastewater Facility Construction Loan as of June 30, 2014, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2015	\$ 75,144	\$ 35,208	\$ 110,352
2016	77,398	32,953	110,351
2017	79,720	30,631	110,351
2018	82,112	28,240	110,352
2019	84,576	23,239	107,815
2020-2024	462,494	89,266	551,760
2025-2029	312,142	18,913	331,056
Total	\$ 1,173,586	\$ 258,450	\$ 1,432,036

The annual requirements to amortize the Water Project Fund as of June 30, 2014, including interest payments are as follows:

Year Ended	Principal	Interest	Total
2015	\$ 25,219	\$ 1,028	\$ 26,247
2016	25,282	965	26,247
2017	25,345	902	26,247
2018	25,408	838	26,246
2019	25,472	775	26,247
2020-2024	128,318	2,915	131,233
2025-2029	129,930	1,304	131,234
2030-2034	26,180	65	26,245
Total	\$ 411,154	\$ 8,792	\$ 419,946

Operating Leases

The Village has no short term leases at June 30, 2014.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 8. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The Village of Taos Ski Valley participates in the New Mexico Self-Insurer's Fund risk pool. The Village pays an annual premium to the pool based on claim experience and the status of the pool. The Village is not liable for more than the premium paid.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2014, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Municipal Streets Fund	\$ (11,535)
EMS Fund	\$ (162)

Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

NOTE 10. Pension Plans

The Village adopted a Money Purchase Pension Plan (MPPP) effective January 1, 1999. All full-time employees were covered by the plan after completing 1,000 hours of service. As employer, the Village contributes an amount equal to 9% of the employee's compensation each month.

Employees are 100% vested after enrollment in a Money Purchase Pension Plan, and benefits are available at age 59 ½. If an employee terminates his/her employment before age 59 ½, 100% of the account is immediately made available to the employee. If the employee dies before age 59 ½, 100% of the account is available to the beneficiary. The plan has certain provisions for hardship withdrawal.

The plan is funded through Pershing and Co., a division of DLJSC. The employees take full responsibility for investing their contributions as well as their share of the Village's contributions. The Village Clerk- Treasurer and Village Administrator are the plan administrators.

For the fiscal years ending June, 30, 2014, 2013, and 2012 respectively the Village incurred \$20,621, \$64,542, and \$60,656 in total pension costs. Pension costs are in current service costs accrued and funded on a current basis. There are no prior service costs. Total compensation for the years ended June 30, 2014, 2013, and 2012 respectively was \$725,414, \$754,899, and \$790,595.

At the employee's discretion the employee may designate a portion of the salary as a contribution to an employer sponsored 457 plan.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 11. PERA Pension Plans

Plan Description. All but three of the Village of Taos Ski Valley's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 6.5% of gross salary. Village of Taos Ski Valley is required to contribute 9% of the gross covered salary. For Law Enforcement personnel, plan members contribute 8.5% of gross salary and the Village is required to contribute 10%. The contribution requirements of plan members and the Village of Taos Ski Valley are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Village's contributions to PERA for the year ended June 30, 2014, 2013 and 2012 were \$71,407, \$64,541, and \$38,499 respectively.

The Village's 2015 financial statements may include a material liability for pension participation due to the implementation of GASB 68.

NOTE 12. Post-Employment Benefits

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

NOTE 13. Contingent Liabilities

The Village of Taos Ski Valley is insured through the New Mexico Self Insurer's Fund. Coverage provided included all-peril on building and contents: crime coverage, general liability, civil rights and personal injury: motor vehicle and fleet property damage and liability: and statutory workmen compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to \$ 5,000 each occurrence.

NOTE 14. Federal and State Grants

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 15. Water Rights

The Village maintains certain water rights to provide services as follows:

Diversion Points:

These diversion points are approved for the beneficial uses of residential, commercial, municipal, snowmaking, and construction.

Kachina (Phoenix) Spring:

This is the primary producer of the water for the system. All permits are approved for all beneficial uses at all diversion points, pursuant to the restrictions of the specific 92 permit.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 15. Water Rights (continued)

Gunsite Spring:

This spring is developed but is not currently used. Water from this source cannot be used within the distribution system without treatment, due to the water quality requirements of the Safe Drinking Water Act.

Beaver pond:

This point is developed but not currently used. It could be used for fire, construction or other non-potable emergency and non-emergency uses, but is not considered a primary diversion point. Water from this source cannot be used within the distribution system without treatment due to the water quality requirements of the Safe Drinking Water Act.

Burroughs Spring:

This point is not currently developed. It is considered eligible for development and could be developed and could be developed for future use.

Water Right Files:

When application is made to the State Engineer's Office (SEO) for water rights, the application is given a file number. The following files pertain to the Village:

File # 3751:

This permit was approved on April 22, 1982. This permit allows for the diversion of 200 acre-feet with compensation rights of during the period of November 1 through April 10 each year. Year round use by the Village is not permitted due to heavy summer appropriation of the Rio Hondo River. The permit approved for all diversion points for all uses.

File # 0444A:

This permit allows a diversion of 178.2 acre-feet per year, with a consumption right of 8.91 acre-feet per year. These were obtained from the Pattison Family Trust in February 2006 in a settlement agreement. This water may be used year-round for all uses at all diversion points, but only in the O.E. Pattison Subdivision.

File # 0444AA:

This permit allows a diversion of 40 acre-feet per year with consumption rights of 2 acre-feet per year. These were obtained from the Pattison Family Trust with change of ownership being approved on December 23, 1987. This water may be used year-round for all uses at all diversion points.

Well Sub-File # Y-8:

The Rio Pueblo de Taos/Rio Hondo Adjudication (Rio Pueblo Vol. 2) in U.S. District Court awarded the well to the Village. It allows 3-acre-feet diversion rights. At the time, a well exists to divert water, but is not in use.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 16. Joint Powers Agreements

Creation of “The Enchanted Circle Regional Fire Protection Association”

Purpose: The agreement is for the sole purpose of establishing, implementing, and maintaining a regional fire protection association. This program will provide cooperative fire suppression, firefighter training programs, and cost efficient purchasing of firefighting equipment and supplies for all parties involved.

Participants: The Town of Taos, The Village of Taos Ski Valley, The Village of Angel Fire, The Village of Eagle Nest, The Town of Red River, The Village of Questa, The County of Taos, and The County of Colfax

Responsible Party for Operation and Audit: The Town of Taos

Beginning and Ending Date of Agreement: Started March 23, 2007 and is renewed annually with changes made no later than September 30 of each year.

Total Estimated Amount of Project and Actual Amount Contributed: None

Energy Minerals and Natural Resources Department

Purpose: To document EMNRD and the Village of Taos Ski Valley’s commitment to wildland fire suppression by using interagency cooperation, management assistance, and cooperation with the use of federal excess property.

Participants: The Village of Taos Ski Valley and EMNRD

Responsible Party for Operation and Audit: EMNRD

Beginning and Ending Date of Agreement: Started September 26, 2006 and is renewed annually with changes made no later than September 30 of each year.

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

Community Navigation

Purpose: To provide shuttle services from Taos to the Village of Taos Ski Valley

Participants: The Village of Taos Ski Valley and Taos Ski Valley Chamber of Commerce

Responsible Party for Operation and Audit: Taos Ski Valley Chamber of Commerce

Beginning and Ending Date of Agreement: Started December 18, 2013 to November 30, 2014

Total Estimated Amount of Project and Actual Amount Contributed: \$2,000

Chile Line Public Transportation System

Purpose: To provide bus services from Taos to the Village of Taos Ski Valley

Participants: The Village of Taos Ski Valley and Town of Taos

Responsible Party for Operation and Audit: Town of Taos

Beginning and Ending Date of Agreement: Started December 20, 2013 to March 30, 2014

Total Estimated Amount of Project and Actual Amount Contributed: \$2.00 per roundtrip or \$1.00 one-way

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 17. Related Party Transactions

The Village of Taos Ski Valley paid \$235 for welding services performed by a family member of a Village employee and paid \$3,540 for cleaning services performed by a family member of a Village employee.

NOTE 18. Commitments

The Village had the following commitments on contracts at June 30, 2014:

The Village entered into a contract with CJ Mead for \$229,399. At June 30, 2014, the Village has paid \$228,964 and there was an outstanding balance of \$434. There was a new change order on this contract in July 2014 for \$59,539.

The Village entered into a contract with Briliam Engineering for \$25,000 during the fiscal year. At June 30, 2014, the Village has paid \$1,950 and there was an outstanding balance of \$23,050.

NOTE 19. Subsequent Accounting Standard Pronouncements

Statement No. 67, Financial Reporting for Pension Plans. This statement also amends Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for the fiscal years beginning after June 15, 2013 with earlier application encouraged. The Village has reviewed the statement and has determined that this does not apply to the Village.

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50 Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The Village is reviewing the effects of the implementation of this statement.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The Village has reviewed the statement and has determined that this does not apply to the Village.

Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions extended or received by a state or local government. A non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. This statement is effective for financial statements for reporting periods beginning after June 15, 2013. The Village has reviewed the statement and has determined that this does not apply to the Village.

NOTE 20. Subsequent Review

The Village of Taos Ski Valley has evaluated subsequent events through September 29, 2014, which is the date the financial statements were available for issuance.

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
June 30, 2014

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the Village with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Correction Fund

To account for the operation and maintenance of funds restricted for the judicial corrections. Authority NMSA 1978 59A-53-1 to 17.

Environmental Gross Receipts Tax Fund

To account for the operation and maintenance of funds restricted for the operation and closure of landfills. Funding is provided by a ¼ of 1% tax on the Gross Receipts within the Village.

Emergency Medical Services Fund

To account for the operations and maintenance of medical service, equipment in the Village of Taos Ski Valley. Authority NMSA 1978 24-10A-1 to 10

Fire Protection Fund

To account for the revenues for the state fire allotment and public safety related expenditures. Authority NMSA 1978 59A-53-1 to 17.

Law Enforcement Protection Fund

To account for a special grant for the operations and maintenance of 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 NMSA 1978.

Recreation Fund

To account for the revenues generate by cigarette taxes and other sources, which are restricted to expenditures for recreation purposes. Authority NMSA 1978 7-1-6, 11a, 7-12-1 to 16

Other Fund

To account for monies received for impact fees and special donations to the Village.

Debt Service Other Fund

To account for the financing of sewer and sanitation within the Village limits. Funding is from revenues received.

PROPRIETARY MAJOR FUNDS

Water and Sewer Fund

To account for the activities of the Village's water and sewer operations.

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2014

	Correction Fund	Environmental Gross Receipts Tax Fund	Emergency Medical Services Fund	Fire Protection Fund
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 5,897	\$ -	\$ 1,098
Investments	957	53,690	-	287,406
Other receivables	-	7,209	-	-
<i>Total assets</i>	<u>\$ 957</u>	<u>\$ 66,796</u>	<u>\$ -</u>	<u>\$ 288,504</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 2,343	\$ 162	\$ 925
Accrued salaries and benefits	-	-	-	-
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>2,343</u>	<u>162</u>	<u>925</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	957	64,453	(162)	287,579
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	-	-	-	-
<i>Total fund balances</i>	<u>957</u>	<u>64,453</u>	<u>(162)</u>	<u>287,579</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 957</u>	<u>\$ 66,796</u>	<u>\$ -</u>	<u>\$ 288,504</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2014

	<u>Correction Fund</u>	<u>Environmental Gross Receipts Tax Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Fire Protection Fund</u>
<i>Revenues:</i>				
Taxes				
Gross receipts taxes	\$ -	\$ 19,819	\$ -	\$ -
State Grant Income	-	-	5,258	85,778
Charges for Services	-	57,245	-	-
Licenses and Fees	-	-	-	-
Investment Income (Loss)	1	37	1	318
Miscellaneous	-	3,103	-	-
<i>Total revenues</i>	<u>1</u>	<u>80,204</u>	<u>5,259</u>	<u>86,096</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	15,667	57,629
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	43,377	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,377</u>	<u>15,667</u>	<u>57,629</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1</u>	<u>36,827</u>	<u>(10,408)</u>	<u>28,467</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	10,246	65,000
Transfers Out	-	(500)	-	(65,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(500)</u>	<u>10,246</u>	<u>-</u>
<i>Net change in fund balances</i>	1	36,327	(162)	28,467
<i>Fund balances - beginning of year</i>	<u>956</u>	<u>28,126</u>	<u>-</u>	<u>259,112</u>
<i>Fund balances - end of year</i>	<u>\$ 957</u>	<u>\$ 64,453</u>	<u>\$ (162)</u>	<u>\$ 287,579</u>

<u>Law Enforcement Protection fund</u>	<u>Recreation Fund</u>	<u>Other Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,819
21,800	-	-	-	112,836
909	528	5,602	-	64,284
-	-	-	-	-
15	-	102	-	474
920	-	1,180	-	5,203
<u>23,644</u>	<u>528</u>	<u>6,884</u>	<u>-</u>	<u>202,616</u>
-	-	-	-	-
7,746	-	709	-	81,751
-	-	-	5,039	5,039
-	528	-	-	528
-	-	-	-	43,377
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,746</u>	<u>528</u>	<u>709</u>	<u>5,039</u>	<u>130,695</u>
<u>15,898</u>	<u>-</u>	<u>6,175</u>	<u>(5,039)</u>	<u>71,921</u>
-	-	-	5,039	80,285
-	-	(5,175)	-	(70,675)
-	-	(5,175)	5,039	9,610
15,898	-	1,000	-	81,531
3,342	114	184,239	-	475,889
<u>\$ 19,240</u>	<u>\$ 114</u>	<u>\$ 185,239</u>	<u>\$ -</u>	<u>\$ 557,420</u>

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	37,248	37,248	5,039	32,209
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,248</u>	<u>37,248</u>	<u>5,039</u>	<u>32,209</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(37,248)</u>	<u>(37,248)</u>	<u>(5,039)</u>	<u>32,209</u>
<i>Other financing sources (uses)</i>				
Designated Cash	37,248	37,248	-	(37,248)
Transfers (In) Out	-	-	5,039	5,039
<i>Total other financing sources (uses)</i>	<u>37,248</u>	<u>37,248</u>	<u>5,039</u>	<u>(32,209)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>-</u>	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ -</u>	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
CORRECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	1	1	1	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1	1	1	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	200	200	-	200
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	200	200	-	200
<i>Excess (deficiency) of revenues over expenditures</i>	(199)	(199)	1	200
<i>Other financing sources (uses)</i>				
Designated Cash	(199)	(199)	-	(199)
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(199)	(199)	-	(199)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	(398)	(398)	1	1
<i>Cash Balance - Beginning of Year</i>	956	956	956	-
<i>Cash Balance - End of Year</i>	\$ 558	\$ 558	\$ 957	\$ 1
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 1	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
ENVIRONMENTAL GROSS RECEIPTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 17,100	\$ 17,100	\$ 18,839	\$ 1,739
State Grant Income	11,025	11,025	1,058	(9,967)
Charges For Services	45,006	45,006	57,245	12,239
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	5	5	37	32
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>73,136</u>	<u>73,136</u>	<u>77,179</u>	<u>4,043</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	60,546	60,546	42,142	18,404
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,546</u>	<u>60,546</u>	<u>42,142</u>	<u>18,404</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,590</u>	<u>12,590</u>	<u>35,037</u>	<u>22,447</u>
<i>Other financing sources (uses)</i>				
Designated Cash	12,590	12,590	-	12,590
Transfers (In) Out	-	-	(500)	(500)
<i>Total other financing sources (uses)</i>	<u>12,590</u>	<u>12,590</u>	<u>(500)</u>	<u>12,090</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>25,180</u>	<u>25,180</u>	<u>34,537</u>	<u>34,537</u>
<i>Cash Balance - Beginning of Year</i>	<u>21,634</u>	<u>21,634</u>	<u>25,050</u>	<u>3,416</u>
<i>Cash Balance - End of Year</i>	<u>\$ 46,814</u>	<u>\$ 46,814</u>	<u>\$ 59,587</u>	<u>\$ 37,953</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			2,361	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(571)	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ 36,327</u>	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	5,084	5,084	5,258	174
Charges For Services	75	75	-	(75)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	5,159	5,159	5,259	100
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	24,025	24,025	15,505	8,520
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	24,025	24,025	15,505	8,520
<i>Excess (deficiency) of revenues over expenditures</i>	(18,866)	(18,866)	(10,246)	8,620
<i>Other financing sources (uses)</i>				
Designated Cash	18,866	18,866	-	(18,866)
Transfers (In) Out	-	-	10,246	10,246
<i>Total other financing sources (uses)</i>	18,866	18,866	10,246	(8,620)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(162)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (162)	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
FIRE PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	70,000	70,000	85,778	15,778
Charges For Services	2,914	2,914	-	(2,914)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	290	290	318	28
Miscellaneous	-	-	-	-
<i>Total revenues</i>	73,204	73,204	86,096	12,892
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	91,814	91,814	58,923	32,891
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	91,814	91,814	58,923	32,891
<i>Excess (deficiency) of revenues over expenditures</i>	(18,610)	(18,610)	27,173	45,783
<i>Other financing sources (uses)</i>				
Designated Cash	18,610	18,610	-	(18,610)
Transfers (In) Out	65,000	-	-	-
<i>Total other financing sources (uses)</i>	83,610	18,610	-	(18,610)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	65,000	-	27,173	27,173
<i>Cash Balance - Beginning of Year</i>	-	-	261,331	261,331
<i>Cash Balance - End of Year</i>	\$ 65,000	\$ -	288,504	\$ 288,504
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			1,294	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 28,467	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	32,700	32,700	21,800	(10,900)
Charges For Services	-	73	909	836
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	2	2	15	13
Miscellaneous	-	-	920	920
<i>Total revenues</i>	32,702	32,775	23,644	(9,131)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	14,800	14,873	6,128	8,745
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	14,800	14,873	6,128	8,745
<i>Excess (deficiency) of revenues over expenditures</i>	17,902	17,902	17,516	(386)
<i>Other financing sources (uses)</i>				
Designated Cash	(17,902)	(17,902)	-	17,902
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(17,902)	(17,902)	-	17,902
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	17,516	17,516
<i>Cash Balance - Beginning of Year</i>	-	-	4,524	4,524
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 22,040	\$ 22,040
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(1,618)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 15,898	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
RECREATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	707	707	528	(179)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	707	707	528	(179)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	707	707	528	179
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	707	707	528	179
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers (In) Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	114	114	114	-
<i>Cash Balance - End of Year</i>	\$ 114	\$ 114	\$ 114	\$ -
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ -	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
OTHER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	73	73	5,602	5,529
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	82	82	102	20
Miscellaneous	330	330	1,180	850
<i>Total revenues</i>	485	485	6,884	6,399
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	6,250	6,250	608	5,642
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	6,250	6,250	608	5,642
<i>Excess (deficiency) of revenues over expenditures</i>	(5,765)	(5,765)	6,276	12,041
<i>Other financing sources (uses)</i>				
Designated Cash	5,765	5,765	-	(5,765)
Transfers (In) Out	30,175	(30,175)	(5,175)	25,000
<i>Total other financing sources (uses)</i>	35,940	(24,410)	(5,175)	19,235
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	30,175	(30,175)	1,101	31,276
<i>Cash Balance - Beginning of Year</i>	-	-	184,239	184,239
<i>Cash Balance - End of Year</i>	\$ 30,175	\$ (30,175)	\$ 185,340	\$ 215,515
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			-	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(101)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 1,000	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	672,170	672,170	700,028	27,858
Charges For Services	17,744	26,576	13,328	(13,248)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	467,444	467,444
<i>Total revenues</i>	<u>689,914</u>	<u>698,746</u>	<u>1,180,800</u>	<u>482,054</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	846,497	785,997	735,015	50,982
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>846,497</u>	<u>785,997</u>	<u>735,015</u>	<u>50,982</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(156,583)</u>	<u>(87,251)</u>	<u>445,785</u>	<u>533,036</u>
<i>Other financing sources (uses)</i>				
Designated Cash	156,583	87,251	-	(87,251)
Transfers (In) Out	-	-	(56,021)	(56,021)
<i>Total other financing sources (uses)</i>	<u>156,583</u>	<u>87,251</u>	<u>(56,021)</u>	<u>(143,272)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	389,764	389,764
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>144,010</u>	<u>144,010</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,774</u>	<u>\$ 533,774</u>
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(536)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			<u>53,816</u>	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ 443,044</u>	

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
WATER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grant Income	-	-	-	-
Charges For Services	692,471	673,971	696,714	22,743
Investment Income(Loss)	185	185	263	78
Miscellaneous	500	500	679	179
<i>Total revenues</i>	<u>693,156</u>	<u>674,656</u>	<u>697,656</u>	<u>23,000</u>
<i>Expenditures:</i>				
Current:				
Operating Expenses	414,500	419,200	413,524	5,676
Travel	4,700	4,700	1,596	3,104
Gross Receipts Tax	-	-	-	-
Depreciation	205,000	205,000	201,899	3,101
Purchases for Resale	750	750	697	53
Contract Services	182,000	124,000	163,710	(39,710)
Salaries	207,217	207,217	223,806	(16,589)
Supplies	79,500	79,500	63,522	15,978
Debt Service:				
Principal	110,352	110,352	-	110,352
Interest	-	-	21,036	(21,036)
<i>Total expenditures</i>	<u>1,204,019</u>	<u>1,150,719</u>	<u>1,089,790</u>	<u>60,929</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(510,863)</u>	<u>(476,063)</u>	<u>(392,134)</u>	<u>83,929</u>
<i>Other financing sources (uses)</i>				
Designated Cash	526,815	526,815	-	(526,815)
Transfers (In) Out	(15,952)	(50,752)	24,274	75,026
<i>Total other financing sources (uses)</i>	<u>510,863</u>	<u>476,063</u>	<u>24,274</u>	<u>(451,789)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(367,860)	(367,860)
<i>Fund balance - Beginning of Year</i>	-	-	1,805,887	1,805,887
<i>Fund balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>1,438,027</u>	<u>\$ 1,438,027</u>

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
SCHEDULE OF CASH AND INVESTMENT ACCOUNTS
JUNE 30, 2014

Schedule I

Bank Account Type/Name	Centinel Bank	Total
Checking - General, Interest Bearing	\$ 122,066	\$ 122,066
Checking - General Government Impact Fee, Interest Bearing	69,831	69,831
Checking - Roads Impact Fee, Interest Bearing	42,111	42,111
Checking - EMS Impact Fee, Interest Bearing	2,146	2,146
Checking - Parking and Recreation Impact Fee, Interest Bearing	5,439	5,439
Checking - Law Enforcement Impact Fee, Interest Bearing	1,813	1,813
Checking - Replacement Reserve, Interest Bearing	110,981	110,981
Checking - Fire Dept Debt Service, Interest Bearing	82,556	82,556
Checking - Fire Department Impact Fee, Interest Bearing	34,972	34,972
Total On Deposit	471,914	471,914
Reconciling Items	(13,704)	(13,704)
Reconciled Balance	<u>\$ 458,210</u>	\$ 458,210
Petty cash		200
Investments in NM State Treasurer		<u>2,445,664</u>
Total June 30, 2014		<u>\$ 2,904,074</u>

This amount is reflected in the financial statements as follows:

Cash and cash equivalents-Governmental activities Ex-B-1	\$ 2,560,899
Cash and cash equivalents-Business type activities Ex-D-1	343,175
	<u>\$ 2,904,074</u>

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2014

Schedule II

Name of Depository	Description of Pledged Collateral	Par Value June 30, 2014	Name and Location of Safekeeper
Centinel Bank	NMMI Revenue Cusip 647183BM3, 3.0% 6/1/2023	\$ 50,000	Texas Independent Bank Dallas, Texas
Centinel Bank	Pojoaque Scho Cusip 73085PAY5, 3.0% 8/1/2014	20,000	Texas Independent Bank Dallas, Texas
Centinel Bank	Taos School District Cusip 87601UAD5, 1.05% 10/1/2016	50,000	Texas Independent Bank Dallas, Texas
Centinel Bank	Taos School District Cusip 87601UAH6, 1.4% 10/1/2016	50,000	Texas Independent Bank Dallas, Texas
Centinel Bank	Hobbs School District Cusip 433866EV8, 2.25% 7/15/2021	50,000	Texas Independent Bank Dallas, Texas
Centinel Bank	West Las Vegas Cusip 953769JW, 2.25% 8/15/2018	50,000	Texas Independent Bank Dallas, Texas
		<u>\$ 270,000</u>	

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COMPLIANCE SECTION

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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Village of Taos Ski Valley
Taos Ski Valley, 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, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, and capital project funds of the Village of Taos Ski Valley as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Village of Taos Ski Valley's basic financial statements, and the combining and individual and related budgetary comparisons of Village of Taos Ski Valley, presented as supplemental information, and have issued our report thereon dated September 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Taos Ski Valley'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 Village of Taos Ski Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Taos Ski Valley'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 over financial reporting 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The significant deficiency is described as 2014-001.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Taos Ski Valley'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 disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2014-001.

Village of Taos Ski Valley's Response to Findings

Village of Taos Ski Valley's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Village of Taos Ski Valley's responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Village of Taos Ski Valley's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Village of Taos Ski Valley's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Precision Accounting LLC
Albuquerque, New Mexico
September 29, 2014

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
SCHEDULE OF FINDINGS AND RESPONSES
 June 30, 2014

A. FINDINGS-FINANCIAL STATEMENT AUDIT**2014-001 Noncompliance with revenue collection policy (Significant Deficiency)**

Condition: During the performance of testwork on the accounts receivable for utility customers, it was determined that the revenue collection procedures were not compliant with the Revenue Collection Policy across as written. During the testwork, there were: five (5) instances where water should have been shut off and fees assessed uncollected fees of \$1,650 and two (2) instances where water should have been shut off or svc shut off and lien filed. Uncollected water revenue of \$6,589.35 and uncollected fees of \$ 825.00=\$7,414.35.

Criteria: The Revenue Collection Policy states that water should be turned off if payment is not made within 75 days of late payment letter or that a lien shall be filed if payment is not made within 120 days of the late payment letter.

Cause: It appears that although management is aware of the Collection Policy, management will make exceptions to the policy by either not turning off the water, assessing shut off/on fees, filing a lien based on conversations with the customers, promises to pay, the check is in the mail based totally on conversations with the customer. Only when the customer continues to disregard requests for payment, does the Village follow the procedure and shut off the water or lien the property.

Effect: By not complying with the Revenue Collection Policy, the Village could be subject to financial loss, should a property be sold with a balance on the account if there is no lien on the property for underpayment of the customer's receivable

Cause: It appears that although management is aware of the Collection Policy, management will make exceptions to the policy by either not turning off the water, assessing shut off/on fees, filing a lien based on conversations with the customers, promises to pay, the check is in the mail based totally on conversations with the customer. Only when the customer continues to disregard requests for payment, does the Village follow the procedure and shut off the water or lien the property.

Recommendation: The Village Council has an approved Revenue Collections Policy and Village management should strictly adhere to the policy. All exceptions to the policy require Village Council approval, therefore, the appeal process should be followed and final determination should be documented as support for management to adhere to. The delinquent accounts spreadsheet should be expanded to have the schedule also include the following; dates for shut off, dates for lien, date shut off, and the date lien is applied, and lien release date. There should be written documentation of the appeal outcome between the Village Council and customers that is maintained in the customer delinquency file for each exception. In addition a Revenue Collection Procedure should be created with respect to non-utility customers such as lodger's tax payments.

Management Response: A revenue collection policy committee has been formed, comprised of staff, the Mayor, one Councilor and Village residents. The recommendations of the auditor will be discussed by the committee and suggested to the Village Council for approval.

B. PRIOR YEAR AUDIT FINDINGS

2013-001 [FS 2013-01] Receipt controls (Significant Deficiencies)-Cleared

2013-002 [FS 2013-02] Noncompliance with purchasing policy (Material Weakness)-Cleared

Note: For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

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STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
OTHER DISCLOSURES
June 30, 2014

A. AUDITOR PREPARED FINANCIAL STATEMENTS

The Village has the capability of understanding and accepting responsibility for its own GAAP-basis financial statements, however, the Village's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on September 18, 2014. The following individuals were in attendance.

Village of Taos Ski Valley

Neil King, Mayor

Vanessa Chisholm, Village Clerk/Treasurer

Mark G. Fratrack, Village Administrator

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CGMA