STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO

INDEPENDENT AUDITOR'S REPORT WITH FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

Prepared by:
Judi M. Starkovich, CPA
Finance Director

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2014

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

VILLAGE MANAGER	DEBI LEE
VILLAGE CLERK	IRMA DEVINE

OTHER OFFICIALS

FINANCE DIRECTOR	JUDI STARKOVICH
ASST. FINANCE DIRECTOR	KAREN GUTIERREZ

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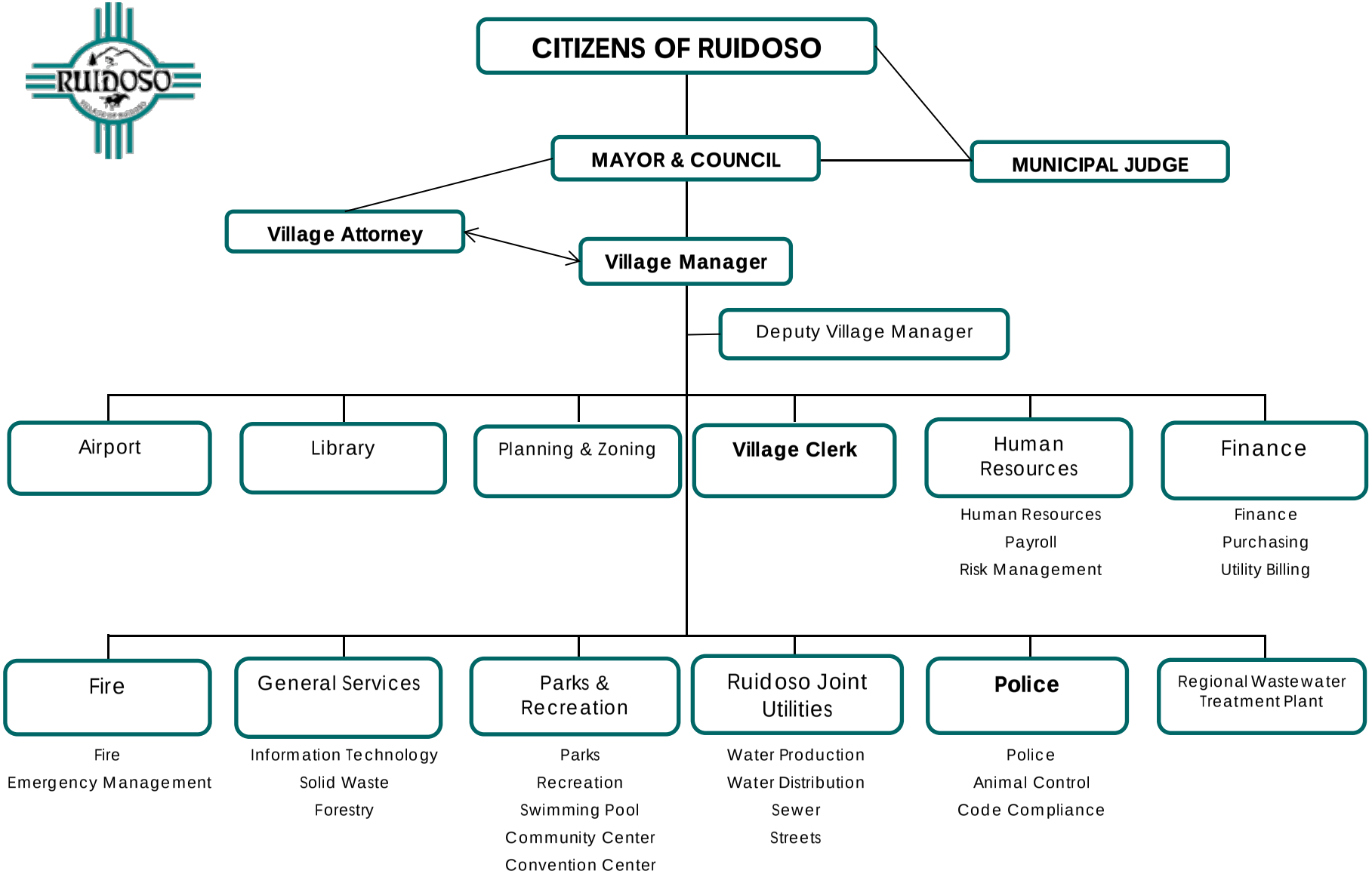

ELECTED OFFICIALS
Appointed Officials
Department Heads

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FINANCIAL SECTION

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Certified Public Accountants
and Business Advisors LLC

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Sun Valley Commercial Center
316 Osuna Rd. NE, Suite 401
Albuquerque, NM 87107
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Independent Auditor's Report

Village Council
Village of Ruidoso
and
Mr. Hector H. Balderas
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village of Ruidoso, New Mexico ("Village"), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental and the budgetary comparisons for the major enterprise funds, capital project funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Village 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, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the Village's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by Section 2.2.2. NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Change in Accounting Principle

As discussed in Note 5 h to the financial statements, in 2014 the Village adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Axiom

Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 25, 2014

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village of Ruidoso (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the audit report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $71,278,657 (*net position*). Of this amount, $18,608,576 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's total net position increased $5,195,687 because of an overall increase of 12.0% in revenues and department heads were successful in controlling expenditures to a growth rate of 8.6%.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of $7,545,852, an increase of $186,630 in comparison with the prior year. Approximately 27.3% of this amount ($2,061,414) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *assigned* and *unassigned* components of *fund balance*) for the general fund was $3,557,807, or approximately 30.5% of total general fund expenditures.
- The Village's total outstanding long-term debt decreased by $1,526,355 during the current fiscal year because of the refunding of wastewater revenue bonds and New Mexico Environmental Department (NMED) loans to revenue bonds, pledged with wastewater revenues and property taxes, at considerably lower interest rates.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The government-wide financial statements can be found on pages 14 - 15 of this report.

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

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

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

The Village maintains twenty-one governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the Federal Emergency Management Association (FEMA) Capital Project Fund, which are considered to be major funds. Data from the other nine-teen (19) governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

Proprietary Funds. The Village maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its RJU, Airport, Solid Waste and RWWTP operations.

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

The basic proprietary fund financial statements can be found on pages 21 - 23 of this report.

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

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

The fiduciary fund financial statements can be found on pages 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 52 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $71,278,657, at the close of the most recent fiscal year.

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

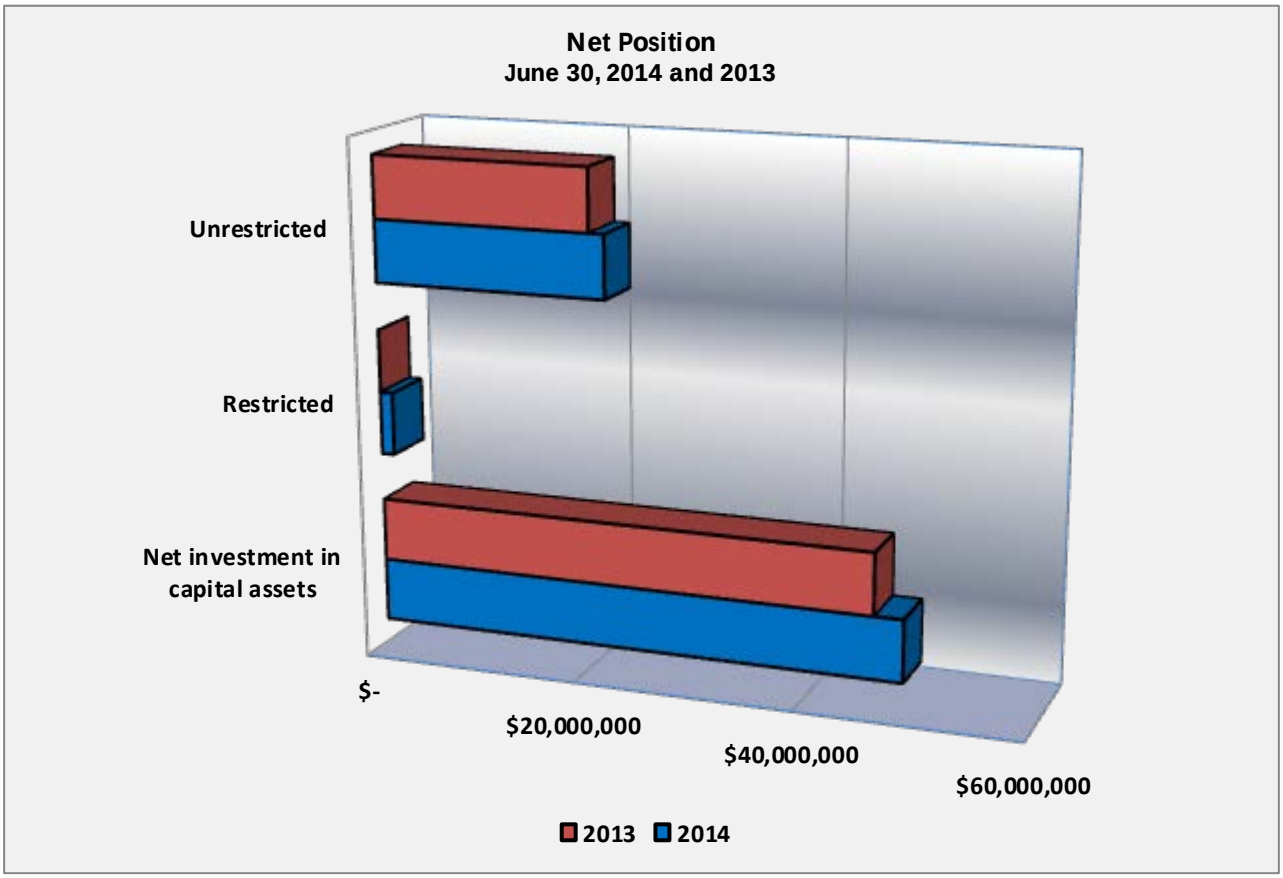
	Governmental Activities		Business-type Activities		Total Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
ASSETS						
Current and other assets	$ 9,772	$ 8,417	$ 17,586	$ 15,141	$ 27,358	$ 23,558
Capital assets	39,692	40,089	30,267	28,822	69,959	68,911
Total Assets	49,464	48,506	47,853	43,963	97,317	92,469
Total Deferred Outflows of Resources	24	138	0	257	24	395
LIABILITIES						
Long-term liabilities outstanding	5,945	5,937	16,652	17,125	22,597	23,062
Other liabilities	2,000	1,788	1,465	1,931	3,465	3,719
Total Liabilities	7,945	7,725	18,117	19,056	26,062	26,781
NET POSITION						
Net investment in capital assets	34,446	34,152	14,046	11,697	48,492	45,849
Restricted	214	0	938	0	1,152	0
Unrestricted	6,883	6,767	14,752	13,467	21,635	20,234
Total Net Position	$ 41,543	$ 40,919	$ 29,736	$ 25,164	$ 71,279	$ 66,083

By far, the largest portion of the Village's net position 68.0% ($48,491,991) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position which totals $4,178,090 (5.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $18,608,576 (26.1%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all reported categories of net position, both for the governmental as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

However, the Village's overall net position increased $5,195,687 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.



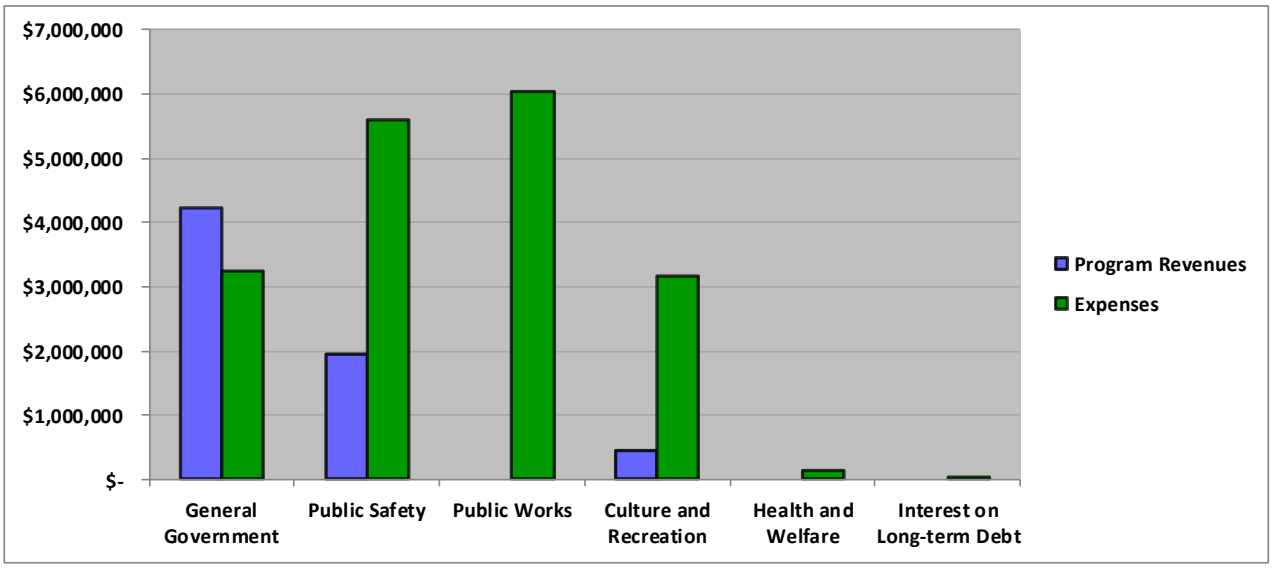
VILLAGE OF RUIDOSO'S CHANGES IN NET POSITION
(AMOUNTS IN THOUSANDS)

	Governmental Activities		Business-type Activities		Total Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
REVENUES						
Program revenues:						
Charges for services	$ 1,040	$ 1,431	$ 12,162	$ 12,201	$ 13,202	$ 13,632
Operating grants and contributions	0	1,835	0	735	0	2,570
Capital grants and contributions	5,567	0	896	0	6,463	0
General revenues:						
Property taxes	2,537	2,341	0	0	2,537	2,341
Other taxes	5,506	8,478	3,826	3,882	9,332	12,360
Grants and contributions not restricted to specific programs	3,466	0	0	0	3,466	0
Other	1,310	2,031	1,110	42	2,420	2,073
Total Revenues	19,426	16,116	17,994	16,860	37,420	32,976
EXPENSES						
General government	3,754	3,197	0	0	3,754	3,197
Public safety	5,603	5,668	0	0	5,603	5,668
Public works	6,043	1,985	0	0	6,043	1,985
Culture and recreation	3,173	3,202	0	0	3,173	3,202
Health and welfare	150	1,182	0	0	150	1,182
Interest on long-term debt	12	938	0	0	12	938
Water and sewer	0	0	5,279	5,274	5,279	5,274
Airport	0	0	1,867	1,688	1,867	1,688
Solid waste	0	0	3,282	2,212	3,282	2,212
Wastewater	0	0	3,061	3,867	3,061	3,867
Total Expenses	18,735	16,172	13,489	13,041	32,224	29,213
Increase (decrease) in net position before transfers	691	(56)	4,505	3,819	5,196	3,763
Transfers	(67)	5,652	67	(5,652)	0	0
Increase (decrease) in net position	624	5,596	4,572	(1,833)	5,196	3,763
Net Position, Beginning of Year	40,919	34,123	25,164	26,560	66,083	60,683
Restatement	0	1,200	0	437	0	1,637
Net Position, Beginning of Year RESTATED	40,919	35,323	25,164	26,997	66,083	62,320
Net Position, End of Year	$ 41,543	$ 40,919	$ 29,736	$ 25,164	$ 71,279	$ 66,083

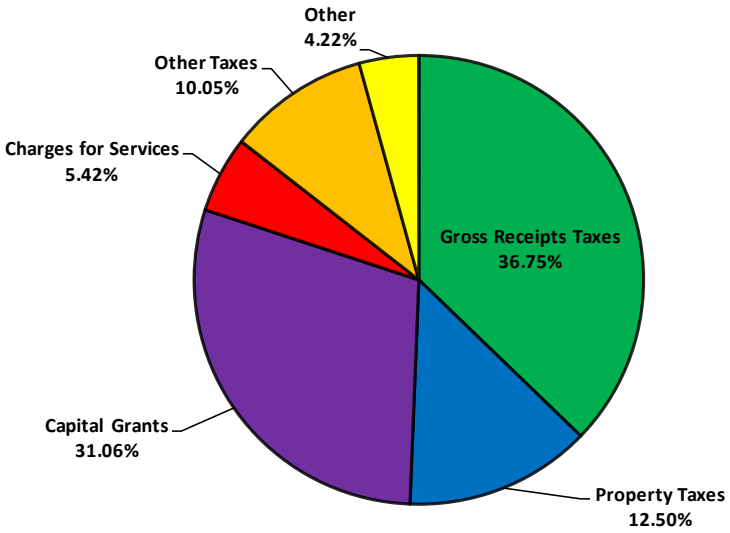
Governmental Activities. During the current fiscal year, net position for governmental activities increased $624,048 from the prior fiscal year for an ending balance of $41,542,852. Many of the Village's capital projects rolled over from prior year grant awards. In addition, FEMA advanced the Village $3,241,362 on the sewer line relocation project, which also saw a corresponding expenditure for the project design which amounted to $2,111,812. Overall tax revenues have remained stable as compared to national trends. The Village also completed a review of useful lives and depreciated values of fixed assets. Results revealed that asset lives were too long. Therefore, a change in estimate was made and resulted in a decrease of accumulated depreciation in the amount of $467,043.

The reduction in transfers was caused by a prior year influx of a wastewater (business-type activity) revenue bonds that defeased an outstanding bond issue that was used to build the wastewater treatment plant in the amount of $5,130,000. Upon completion the plant was transferred out of the governmental capital project fund into the enterprise fund titled RWWTP.

PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



GENERAL REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

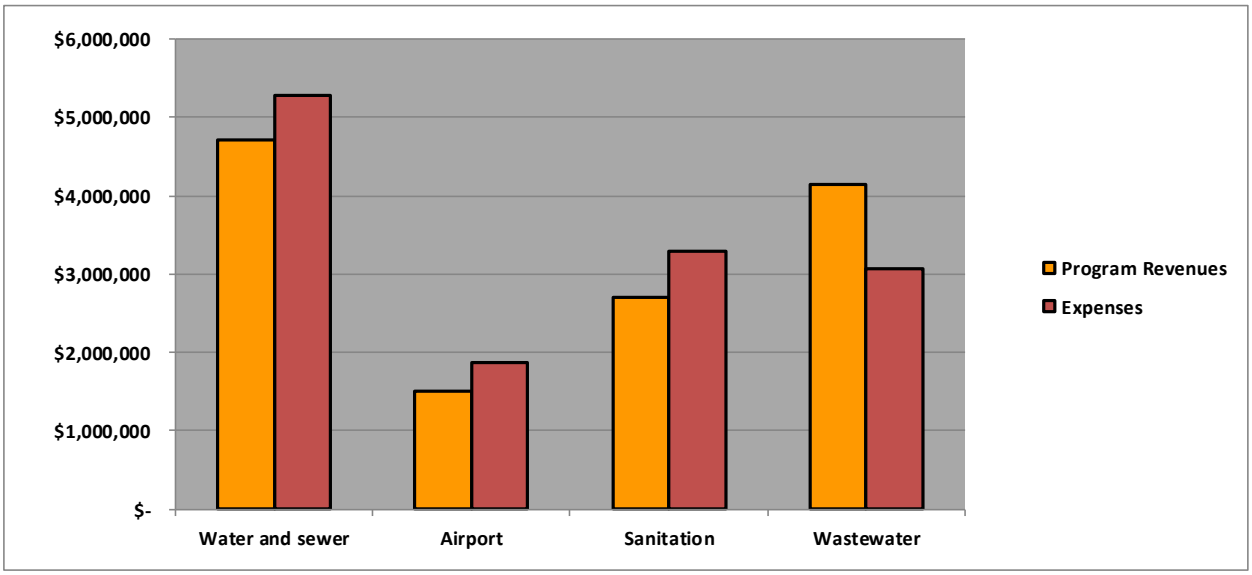


Business-type Activities. During the current fiscal year, net position for business-type activities increased $4,571,639 from the prior fiscal year for an ending balance of $29,735,805. The Village's analysis of estimated useful lives of capital assets resulted in a change of estimate to accumulated depreciation in the amount of $704,735. Also, depreciation increased over last year according to the following:

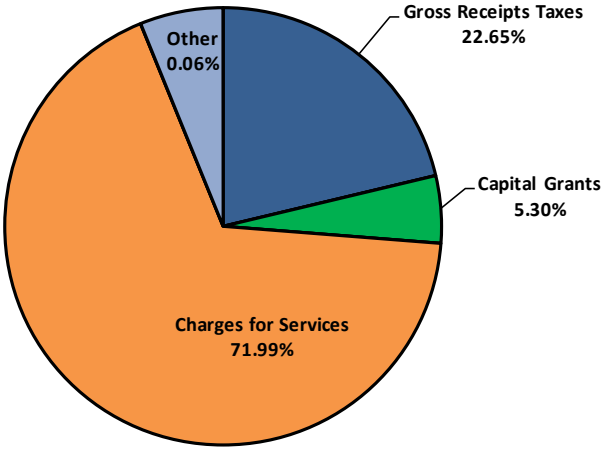
	FY 2014	FY 2013	Difference
RJU – Water and Sewer	$ 167,416	$ 85,735	$ 81,681
Airport	243,694	91,990	151,704
Solid Waste	529,170	205,423	323,747
RWWTP - Wastewater	456,761	715,577	(258,816)
	$ 1,397,041	$1,098,725	$ 298,316

In addition, the reduction of the one-time transfer of refunding bond proceeds in the prior year, for the defeasance of bonds used in the RWWTP construction, reduced transfers out and in turn contributed to the overall increase in net position.

PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



GENERAL REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

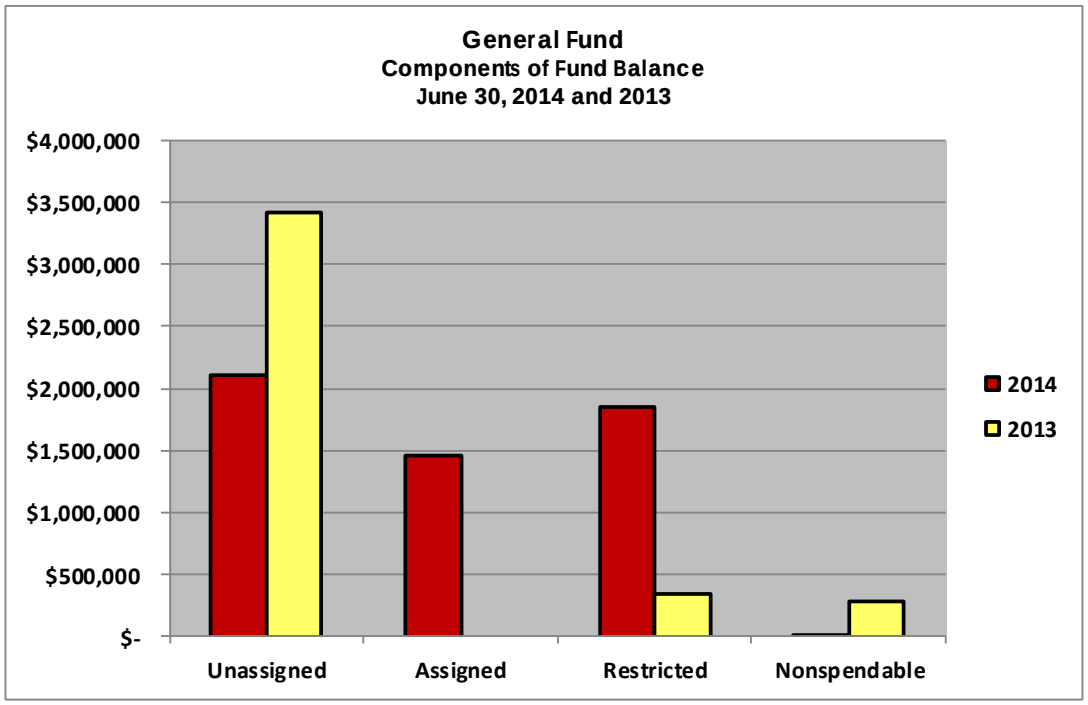


FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

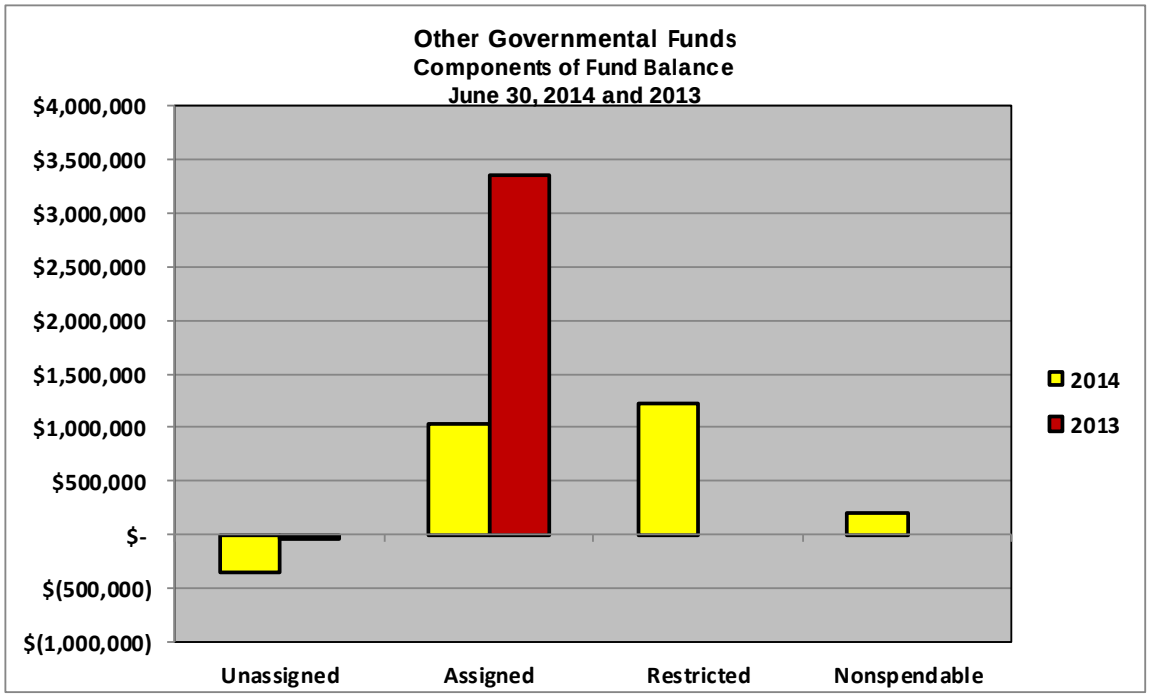
As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At June 30, 2014, the Village's governmental funds reported combined fund balances of $7,545,852, an increase of $186,630 in comparison with the prior year. Approximately 27.3% of this amount ($2,061,414) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form ($222,533), 2) legally required to be maintained intact ($1,847,236), 3) restricted for particular purposes ($1,226,110), or 4) assigned for particular purposes ($2,188,559).



The General fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance for the general fund was $2,102,791, while total fund balance increased to $5,418,161. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 18.0% of total general fund expenditures, while total fund balance represents approximately 46.4% of that same amount.



The fund balance of the Village's general fund increased $1,373,095 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to a slight increase in tax revenues and transfers in for administrative fees by the Enterprise funds. In addition expenditures were considerably lower than the prior year, due to management's fiscal responsibility.

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

Unrestricted net position of RJU (water and sewer) operation at the end of the year was $7,335,572, for the Airport $1,501,867, Solid Waste $3,833,737, and for the RWWTP (wastewater) operation was a deficit of $7,858,182 for a total of $4,812,994. The total growth in net position for all four (4) funds was $4,571,639 (RJU $2,241,707, Airport $485,576, Solid Waste ($360,950), and RWWTP $2,205,306). Other factors concerning the finances of these funds have already been addressed in the discussion of the Village's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget compared to Final Budget. During the year there was a need to adjust original estimated revenues and original budgeted appropriations due to declining tax revenues and the adjustment of grant awards to actual amounts received. These two changes also affected expenditures. With the reduction in revenues, a corresponding reduction in expenditures was needed in order to preserve cash balance.

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

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Intergovernmental - Federal	$ 555,569	$ 68,844	$ (486,725)
Intergovernmental – State	3,896,240	3,791,782	(104,458)
Charges for services	421,768	262,364	(159,404)
Miscellaneous	916,951	1,043,096	126,145

The shortfalls in the above revenue sources were caused by the reclassification of some revenue sources and the redirection of the Village's street department focus from private sector jobs to Village jobs. Intergovernmental is the classification used to report grant revenues. The shortfall was the result of a timing issue. The work of building a river trail from a federal grant funding source did not start until late in the fiscal year and conversely, grant reimbursements were not received until after year-end. In addition, miscellaneous revenues were increased due to a one time increase in rentals.

The budget savings in the expenditure area were two-fold: vacant positions were not filled during the fiscal year and the management of department budgets. Since revenues have remained somewhat flat, directors were charged with working with less and maintaining the same service levels. Village department heads were successful in this challenge and expenditures resulted in a favorable variance of $2,236,452.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to $48,491,991 (net of accumulated depreciation). This investment in capital assets includes, land building, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and distribution and production systems. The total increase in capital assets for the current fiscal year was approximately 1.52%.

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

	Governmental Activities		Business-type Activities		Total Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Land	$ 10,316	$ 10,316	$ 1,140	$ 38	$ 11,456	$ 10,354
Buildings and improvements	7,672	7,815	2,974	2,765	10,646	10,580
Machinery and equipment	758	872	451	444	1,209	1,316
Infrastructure	18,705	17,817	23,305	22,159	42,010	39,976
Vehicles	2,173	2,642	1,858	2,051	4,031	4,693
Art	18	18	0	0	18	18
Construction in progress	50	609	539	1,365	589	1,974
	$ 39,692	$ 40,089	$ 30,267	$ 28,822	$ 69,959	$ 68,911

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

- The purchase of various vehicles and equipment at a total cost of $1,162,506
- Various computer hardware and software purchases to update the Village's network and operating system at a cost of $89,088
- Various projects related to water and sewer distribution systems improvements for a total cost of $2,390,269
- Various Village infrastructure projects at a total cost of $1,320,916

Additional information on the Village's capital assets can be found on pages 41 - 42 of this report.

Long-term Debt. At the end of the current fiscal year, the Village had a total bonded debt outstanding of $21,467,103. This entire amount is backed by the full faith and credit of the government.

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

	Governmental Activities		Business-type Activities		Total Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
General obligation bonds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Gross receipts tax revenue bonds	2,440	2,740	2,530	2,710	4,970	5,450
Revenue bonds	0	0	13,575	13,419	13,575	13,419
	2,440	2,740	16,105	16,129	18,545	18,869
Loans payable	2,806	3,129	117	995	2,923	4,124
	$ 5,246	$ 5,869	$ 16,222	$ 17,124	$ 21,468	$ 22,993

The Village's total debt decreased $1,526,355 (6.6%) during the current fiscal year. The reason for the decrease was the issuance of wastewater revenue bonds for an amount that was less that the regularly scheduled principal repayments on the existing outstanding debt. The new issuance has a face value of $8,445,000 which also refunded two (2) New Mexico Environmental Department (NMED) loans in the amount of $995,187.

The Village and its Wastewater operation (RWWTP) both maintain an A+ rating from Standard & Poor's on its Series 2013 Revenue Bonds and a A1 and A2 rating from Moody's.

Additional information on the Village's long-term debt can be found on pages 42 - 48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The current economic factors currently affect the Village and were considered in developing the 2014-2015 fiscal year budget.

- The inclusion of the water conservation rate structure for the RJU Enterprise Fund. The rate increase was adopted in December 2013 and was implemented in January 2014. Therefore, fiscal year 2014-2015 will be the first full year of increased rates.
- Local Option Gross Receipts Tax revenues which were adopted for the General Fund were redirected back to the General Fund.
- Estimated revenues were budgeted at fiscal year 2014 levels.
- Personnel costs were increased due to rising health insurance costs.
- Inflationary trends in the region compare favorably to national indices.
- Bond refunding in fiscal year 2014 reduced the amount of debt service payments in fiscal year 2015.

During the current fiscal year, the unassigned fund balance in the general fund was $2,102,791. The Village has appropriated $1,009,056 of this amount for spending in the 2014-2015 fiscal year budget. This action was taken as an additional measure to mitigate the impact of the recession on the 2014-2015 fiscal year budget.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

STATEMENT OF NET POSITION

JUNE 30, 2014

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,551,466	$ 5,482,750	$ 8,034,216
Investments	3,057,797	9,386,226	12,444,023
Restricted cash	2,543,799	482,331	3,026,130
Receivables, net of allowance	1,456,124	1,234,300	2,690,424
Internal Balances	(60,000)	60,000	-
Inventories	213,484	938,476	1,151,960
Prepaid expenses	9,049	1,403	10,452
Capital assets:			
Land	10,315,759	1,139,946	11,455,705
Construction in progress	50,175	539,068	589,243
Art	18,200	-	18,200
Infrastructure	38,353,221	24,649,071	63,002,292
Buildings	13,303,578	4,939,857	18,243,435
Machinery and equipment	2,435,927	1,296,155	3,732,082
Vehicles	5,303,740	5,344,423	10,648,163
Less: accumulated depreciation	(30,088,740)	(7,641,286)	(37,730,026)
Total Assets	49,463,579	47,852,720	97,316,299
DEFERRED OUTFLOWS OF RESOURCES			
Insurance on bond issue, net of amortization	24,459	-	24,459
Total Deferred Outflows of Resources	24,459	-	24,459
LIABILITIES			
Accounts payable	806,711	378,422	1,185,133
Accrued liabilities	225,198	136,405	361,603
Deposits payable	5,405	482,331	487,736
Accrued interest	21,749	468,250	489,999
Unearned revenue	941,512	-	941,512
Noncurrent liabilities:			
Due within one year	484,486	587,791	1,072,277
Due in more than one year	5,460,125	16,063,716	21,523,841
Total Liabilities	7,945,186	18,116,915	26,062,101
NET POSITION			
Net investment in capital assets	34,446,299	14,045,692	48,491,991
Restricted	2,757,283	1,420,807	4,178,090
Unrestricted	4,339,270	14,269,306	18,608,576
Total Net Position	$ 41,542,852	$ 29,735,805	$ 71,278,657

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		PROGRAM REVENUES			NET (EXPENSE)/REVENUE AND CHANGES IN NET ASSETS		
					PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 3,753,911	$ 602,952	$ -	$ 3,622,916	$ 471,957	$ -	$ 471,957
Public safety	5,602,369	-	-	1,943,958	(3,658,411)	-	(3,658,411)
Public works	6,043,223	-	-	-	(6,043,223)	-	(6,043,223)
Culture and recreation	3,173,004	436,872	-	-	(2,736,132)	-	(2,736,132)
Health and welfare	150,438	-	-	-	(150,438)	-	(150,438)
Interest on long-term debt	11,883	-	-	-	(11,883)	-	(11,883)
Total Governmental Activities	18,734,828	1,039,824	-	5,566,874	(12,128,130)	-	(12,128,130)
Business-type activities:							
Water and sewer	5,279,361	4,581,506	-	137,874	-	(559,981)	(559,981)
Airport	1,867,175	1,027,757	-	467,757	-	(371,661)	(371,661)
Solid Waste	3,281,589	2,705,491	-	-	-	(576,098)	(576,098)
Wastewater	3,061,226	3,846,875	-	290,000	-	1,075,649	1,075,649
Total Business-type Activities	13,489,351	12,161,629	-	895,631	-	(432,091)	(432,091)
Total Primary Government	$ 32,224,179	$ 13,201,453	$ -	$ 6,462,505	(12,128,130)	(432,091)	(12,560,221)
GENERAL REVENUES:							
Property taxes, levied for general purposes					2,537,451	-	2,537,451
Franchise taxes					446,735	-	446,735
Gross receipts taxes					3,580,422	3,826,587	7,407,009
Public service taxes					1,479,480	-	1,479,480
Grants and contributions not restricted to specific program					3,465,730	-	3,465,730
Investment earnings					2,817	10,778	13,595
Miscellaneous income					996,321	250,824	1,247,145
Proceeds from the issuance of debt					-	204,328	204,328
Gain (loss) on disposal of assets					310,567	643,868	954,435
Net transfers					(67,345)	67,345	-
Total General Revenues and Transfers					12,752,178	5,003,730	17,755,908
Change in Net Position					624,048	4,571,639	5,195,687
Net Position, Beginning of Year					40,918,804	25,164,166	66,082,970
Net Position, End of Year					$ 41,542,852	$ 29,735,805	$ 71,278,657

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	CAPITAL PROJECTS FUND Ruidoso Flood FEMA	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,789,452	$ -	$ 762,014	$ 2,551,466
Investments	3,057,797	-	-	3,057,797
Restricted cash	5,405	2,091,729	446,665	2,543,799
Receivables, net of allowance	1,320,011	-	136,113	1,456,124
Due from other funds	2,600	83,202	-	85,802
Inventories	4,069	-	209,415	213,484
Prepaid items	9,049	-	-	9,049
Total Assets	$ 6,188,383	$ 2,174,931	$ 1,554,207	$ 9,917,521
LIABILITIES				
Accounts payable	$ 228,845	$ 554,694	$ 23,172	$ 806,711
Accrued liabilities	205,729	-	19,469	225,198
Deposits payable	5,405	-	-	5,405
Due to other funds	83,202	-	62,600	145,802
Total Liabilities	523,181	554,694	105,241	1,183,116
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	247,041	941,512	-	1,188,553
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventory	4,069	-	209,415	213,484
Prepaid items	9,049	-	-	9,049
Restricted:				
Public safety	-	-	130,391	130,391
Capital projects	-	-	379,608	379,608
Debt service	-	-	446,665	446,665
Other purposes	1,847,236	6,052	263,394	2,116,682
Assigned:				
Purchases on order	360,000	672,673	39,302	1,071,975
Subsequent year's budget; appropriation of fund balance	1,095,016	-	21,568	1,116,584
Unassigned	2,102,791	-	(41,377)	2,061,414
Total Fund Balances (Deficits)	5,418,161	678,725	1,448,966	7,545,852
Total Liabilities and Fund Balances (Deficits)	$ 6,188,383	$ 2,174,931	$ 1,554,207	$ 9,917,521

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

STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO

THE STATEMENT OF NET POSITION

JUNE 30, 2014

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

Total Fund Balances (Deficits) - Governmental Funds	$ 7,545,852
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund statements.	39,691,860
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements.	(5,941,901)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	247,041
Net Position of Governmental Activities	$ 41,542,852

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General	CAPITAL PROJECTS FUND Ruidoso Flood FEMA	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	$ 2,417,303	$ -	$ -	$ 2,417,303
Gross receipts	1,968,581	-	1,611,841	3,580,422
Other	446,735	-	1,479,480	1,926,215
Intergovernmental:				
Federal grants	68,844	3,188,881	365,191	3,622,916
State grants	3,791,782	728,440	889,466	5,409,688
Licenses and permits	422,575	-	-	422,575
Charges for services	380,914	-	55,958	436,872
Fines and forfeitures	129,404	-	50,973	180,377
Investment earnings	868	-	1,949	2,817
Miscellaneous	1,043,096	-	(46,775)	996,321
Total Revenues	10,670,102	3,917,321	4,408,083	18,995,506
EXPENDITURES				
Current:				
General government	3,304,520	-	-	3,304,520
Public safety	4,909,729	-	329,680	5,239,409
Public works	1,507,319	3,682,604	410,008	5,599,931
Culture and recreation	1,665,238	-	1,389,485	3,054,723
Health and welfare	96,476	-	36,840	133,316
Debt service:				
Principal	-	-	623,351	623,351
Interest	-	-	226,648	226,648
Bond issuance costs	-	-	-	-
Capital outlay	195,584	28,920	335,129	559,633
Total Expenditures	11,678,866	3,711,524	3,351,141	18,741,531
Excess (Deficiency) of Revenues over Expenditures	(1,008,764)	205,797	1,056,942	253,975
OTHER FINANCING SOURCES (USES)				
Transfers in	3,254,311	-	1,015,896	4,270,207
Transfers out	(872,452)	-	(3,465,100)	(4,337,552)
Proceeds from the issuance of debt	-	-	-	-
Net Other Financing Sources (Uses)	2,381,859	-	(2,449,204)	(67,345)
Net Change in Fund Balances	1,373,095	205,797	(1,392,262)	186,630
Fund Balances, Beginning of Year	4,045,066	472,928	2,841,228	7,359,222
Fund Balances, End of Year	$ 5,418,161	$ 678,725	$ 1,448,966	$ 7,545,852

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

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

Net Change in Fund Balances - Governmental Funds	$ 186,630
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(707,233)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of insurance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	577,792
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	566,859
Change in Net Position Governmental Activities	$ 624,048

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ 2,378,678	$ 2,378,678	$ 2,290,410	$ (88,268)
Gross receipts	5,150,000	1,945,000	1,968,581	23,581
Other	380,000	380,000	446,735	66,735
Intergovernmental:				-
Federal grants	556,419	555,569	68,844	(486,725)
State grants	920,622	3,896,240	3,791,782	(104,458)
Licenses and permits	347,950	347,950	422,575	74,625
Charges for services	433,280	421,768	262,364	(159,404)
Fines and forfeitures	105,000	105,000	129,404	24,404
Investment earnings	3,000	3,000	868	(2,132)
Miscellaneous	1,770,071	916,951	1,378,053	461,102
Total Revenues	12,045,020	10,950,156	10,759,616	(190,540)
EXPENDITURES				
Current:				
General government	3,233,298	3,320,841	3,304,520	16,321
Public safety	5,385,041	5,436,684	4,689,602	747,082
Public works	1,603,968	1,603,968	1,507,319	96,649
Culture and recreation	1,881,084	1,836,277	1,665,238	171,039
Health and welfare	104,670	109,515	96,476	13,039
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	1,803,210	1,387,906	195,584	1,192,322
Total Expenditures	14,011,271	13,695,191	11,458,739	2,236,452
Excess (Deficiency) of Revenues over Expenditures	(1,966,251)	(2,745,035)	(699,123)	2,045,912
OTHER FINANCING SOURCES (USES)				
Designated cash	(185,133)	(226,031)	-	226,031
Transfers in	3,647,615	3,842,772	3,254,311	(588,461)
Transfers out	(1,496,231)	(871,706)	(846,615)	25,091
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	1,966,251	2,745,035	2,407,696	(337,339)
Net Change in Cash Balances	$ -	$ -	1,708,573	$ 1,708,573
Cash Balances, Beginning of Year			3,144,081	
Cash Balances, End of Year			$ 4,852,654	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 1,708,573	
Adjustments to revenues			(89,514)	
Adjustments to expenditures			(245,964)	
Net Change in Fund Balances (GAAP Basis)			$ 1,373,095	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES				
	Utility	Airport	Solid Waste	RWWTP	Total
ASSETS					
Current Assets					
Cash and cash equivalents	$ 1,290,040	$ 343,158	$ 853,153	$ 2,996,399	$ 5,482,750
Investments	6,726,324	-	-	2,659,902	9,386,226
Restricted cash	482,331	-	-	-	482,331
Receivables, net of allowance	586,934	58,835	190,641	397,890	1,234,300
Due from other funds	60,000	-	-	-	60,000
Inventories	562,709	102,165	79,773	193,829	938,476
Prepaid expenses	1,403	-	-	-	1,403
Total Current Assets	9,709,741	504,158	1,123,567	6,248,020	17,585,486
Noncurrent Assets					
Capital assets:					
Land	-	1,100,000	-	39,946	1,139,946
Construction in progress	227,177	206,082	-	105,809	539,068
Infrastructure	2,677,057	-	-	21,972,014	24,649,071
Buildings	369,725	3,370,132	1,200,000	-	4,939,857
Machinery and equipment	271,076	407,554	263,083	354,442	1,296,155
Vehicles	1,065,503	1,068,109	3,082,097	128,714	5,344,423
Less: accumulated depreciation	(1,345,349)	(2,497,823)	(2,436,562)	(1,361,552)	(7,641,286)
Total Noncurrent Assets	3,265,189	3,654,054	2,108,618	21,239,373	30,267,234
Total Assets	12,974,930	4,158,212	3,232,185	27,487,393	47,852,720
LIABILITIES					
Current Liabilities					
Accounts payable	186,176	29,585	85,475	77,186	378,422
Accrued liabilities	61,012	16,529	36,893	21,971	136,405
Deposits payable	482,331	-	-	-	482,331
Due to other funds	-	-	-	-	-
Accrued interest	6,135	-	184	461,931	468,250
Bonds and loans payable	185,000	-	92,791	310,000	587,791
Unearned revenue	-	-	-	-	-
Total Current Liabilities	920,654	46,114	215,343	871,088	2,053,199
Noncurrent Liabilities					
Compensated absences	174,018	24,286	132,833	98,828	429,965
Bonds and notes payable	2,345,000	-	23,751	13,265,000	15,633,751
Total Noncurrent Liabilities	2,519,018	24,286	156,584	13,363,828	16,063,716
Total Liabilities	3,439,672	70,400	371,927	14,234,916	18,116,915
NET POSITION					
Net investment in capital assets	2,199,686	2,585,945	(973,479)	21,110,659	24,922,811
Unrestricted	7,335,572	1,501,867	3,833,737	(7,858,182)	4,812,994
Total Net Position	$ 9,535,258	$ 4,087,812	$ 2,860,258	$ 13,252,477	$ 29,735,805

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES				
	Utility	Airport	Solid Waste	RWWTP	Total
OPERATING REVENUES					
Charges for services	$ 4,581,506	$ 1,027,757	$ 2,705,491	$ 3,846,875	$ 12,161,629
Miscellaneous	20,950	201,608	16,365	11,901	250,824
Total Revenues	4,602,456	1,229,365	2,721,856	3,858,776	12,412,453
OPERATING EXPENSES					
Current:					
Personnel services	2,005,684	486,033	1,318,466	759,356	4,569,539
Materials and supplies	197,922	838,076	215,071	164,816	1,415,885
Repairs and maintenance	510,276	118,458	278,287	169,766	1,076,787
Utilities	521,815	62,884	66,562	489,449	1,140,710
Contractual services	1,544,244	118,030	866,265	665,844	3,194,383
Depreciation expense	167,416	243,694	529,170	456,761	1,397,041
Amortization expense	-	-	-	-	-
Total Expenditures	4,947,357	1,867,175	3,273,821	2,705,992	12,794,345
Excess (Deficiency) of Revenues over Expenses	(344,901)	(637,810)	(551,965)	1,152,784	(381,892)
NONOPERATING REVENUES (EXPENSES)					
Gross receipts taxes	2,499,692	-	147,430	1,179,465	3,826,587
Intergovernmental:					
Federal grants	-	-	-	-	-
State grants	137,874	467,757	-	290,000	895,631
Investment earnings	7,774	-	-	3,004	10,778
Premium on the issuance of debt	-	-	-	204,328	204,328
Gain (loss) on disposal of assets	383,076	98,930	104,226	57,636	643,868
Debt service:					
Interest	(77,418)	-	(5,033)	(355,234)	(437,685)
Bond issuance costs	(254,586)	-	(2,735)	-	(257,321)
Total Nonoperating Revenues (Expenses)	2,696,412	566,687	243,888	1,379,199	4,886,186
Income Before Transfers	2,351,511	(71,123)	(308,077)	2,531,983	4,504,294
NET TRANSFERS					
Transfers in	1,182,699	556,699	262,571	-	2,001,969
Transfers out	(1,292,503)	-	(315,444)	(326,677)	(1,934,624)
Net Transfers	(109,804)	556,699	(52,873)	(326,677)	67,345
Net Change in Net Position	2,241,707	485,576	(360,950)	2,205,306	4,571,639
Net Position, Beginning of Year	7,293,551	3,602,236	3,221,208	11,047,171	25,164,166
Net Position, End of Year	$ 9,535,258	$ 4,087,812	$ 2,860,258	$ 13,252,477	$ 29,735,805

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

STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES				
	Utility	Airport	Solid Waste	RWWTP	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 4,783,844	$ 1,170,530	$ 2,890,929	$ 3,950,847	$ 12,796,150
Cash received from (paid to) other funds for services provided	(104,693)	-	9,061	10,883	(84,749)
Cash paid to suppliers for goods and services	(3,108,254)	(1,535,786)	(1,416,183)	(1,571,371)	(7,631,594)
Cash paid to employees for salaries and benefits	(1,902,017)	(504,699)	(1,246,545)	(685,861)	(4,339,122)
Net Cash Provided by (Used for) Operating Activities	(331,120)	(869,955)	237,262	1,704,498	740,685
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from taxes	2,499,692	-	147,430	1,179,465	3,826,587
Operating subsides from (to) other funds	(109,804)	556,699	(52,873)	(326,677)	67,345
Net Cash Provided by (Used for) Noncapital Financing Activities	2,389,888	556,699	94,557	852,788	3,893,932
CASH FLOWS FROM CAPITAL AND REALTED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,244,157)	(644,418)	(1)	(104,065)	(1,992,641)
Proceeds from the issuance of debt	-	-	-	8,218,542	8,218,542
Capital grants	137,874	467,757	-	290,000	895,631
Principal paid on capital debt	(180,000)	-	(89,353)	(8,853,759)	(9,123,112)
Interest paid on capital debt	(78,187)	-	(6,249)	(186,773)	(271,209)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,364,470)	(176,661)	(95,603)	(636,055)	(2,272,789)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	7,774	-	-	3,004	10,778
Net Increase (Decrease) in Cash and Cash Equivalents	702,072	(489,917)	236,216	1,924,235	2,372,606
Cash and Cash Equivalents, Beginning of Year	7,796,623	833,075	616,937	3,732,066	12,978,701
Cash and Cash Equivalents, End of Year	$ 8,498,695	$ 343,158	$ 853,153	$ 5,656,301	$ 15,351,307
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operation income (loss)	$ (344,901)	$ (637,810)	$ (551,965)	$ 1,152,784	$ (381,892)
Adjustments to reconcile net operating income to net cash provided by operating activities:					
Depreciation	167,416	243,694	529,170	456,761	1,397,041
(Increase) decrease in accounts receivable	92,953	(58,918)	(51,590)	(69,680)	(87,235)
Increase (decrease) in allowance for doubtful account	45,314	83	220,663	161,751	427,811
(Increase) decrease in due from other funds	(39,623)	-	9,061	10,883	(19,679)
(Increase) decrease in inventories	(360,160)	18,012	1,321	(50,522)	(391,349)
(Increase) decrease in prepaid items	(1,403)	-	-	-	(1,403)
Increase (decrease) in accounts payable	27,566	(416,350)	8,681	(30,974)	(411,077)
Increase (decrease) in accrued wages and taxes	(20,106)	(21,162)	(11,109)	(4,872)	(57,249)
Increase (decrease) in meter deposits	43,121	-	-	-	43,121
Increase (decrease) in due to other funds	(65,070)	-	-	-	(65,070)
Increase (decrease) in deferred revenue	-	-	-	-	-
Increase (decrease) in compensated absences	123,773	2,496	83,030	78,367	287,666
Net Cash Provided by (Used for) Operating Activities	$ (331,120)	$ (869,955)	$ 237,262	$ 1,704,498	$ 740,685

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

STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2014

	Special Gifts	Bail Bonds	Total
ASSETS			
Cash and cash equivalents	$ 114,735	$ 2,402	$ 117,137
Total Assets	$ 114,735	$ 2,402	$ 117,137
LIABILITIES			
Accounts payable	$ 320	$ -	$ 320
Special projects payable	114,415	2,402	116,817
Total Liabilities	$ 114,735	$ 2,402	$ 117,137

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A. Government-wide and Fund Financial Statements

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

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

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

B. Reporting Entity

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

B. Reporting Entity (Continued)

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

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Village of Ruidoso and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village has no component units during the fiscal year ended June 30, 2014.

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

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

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

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

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

The Village reports the following major governmental funds:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

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

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

The Village reports the following major funds proprietary funds:

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

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

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

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

D. Budgetary Information

1. *Budgetary Basis of Accounting*

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

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

Prior to June 1st, budgets are prepared, balanced, and approved by resolution by Village Council and submitted to the Local Government Division (LGD) of New Mexico Department of Finance and Administration (DFA) for oversight approval. Once the budget has been formally approved, amendments must also be approved by Village Council and DFA.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

D. Budgetary Information (Continued)

2. Excess of Expenditures over Appropriations

For the year ended June 30, 2014, expenditures did not exceed appropriations in any of the Village's individual funds.

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

Cash and Cash Equivalents
The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

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

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

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

The Village is permitted to levy taxes for general operating purposed based on taxable value for residential and nonresidential property, taxable value being defined as one-third of full assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in an amount approved by the Village. The Village's total tax rate to finance general government services for the year ended June 20, 3014 was $5.142 per $1,000 for residential property and $4.451 for non-residential property.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

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

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

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

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

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

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

	Years
Infrastructure	40
Buildings and improvements	30
Machinery and equipment	5
Vehicles	5
Heavy equipment and vehicles	10

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

Accrued Liabilities
Accrued liabilities are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2014, along with applicable taxes and employee benefits.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

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

Service Period	Vesting %	Maximum Hours Payable
1 to 5 years	0%	0 hours
6 to 10 years	25%	130 hours
11 to 15 years	50%	260 hours
16 to 20 years	75%	390 hours
Over 21 years	100%	520 hours

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

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

Equity Classifications (Continued)

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

By state statute, the Village must maintain a minimum fund balance in the General Fund equal to 8.33% or 1/12th of budgeted expenditures. However, Village Council has, by ordinance, made it policy to reserve an additional 8.33% due to the number of recent natural disasters experienced within the last few years. This amount totals $1,847,236 at June 30, 2014.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

F. Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of the $5,941,901 difference are as follows:

Bonds payable	$(2,440,000)
Loans payable	(2,805,561)
Less: deferred charge for insurance (amortized over life of debt)	24,459
Accrued interest (amortized as interest expense)	(21,749)
Compensated absences	(699,050)
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	$(5,941,901)

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

The governmental statement of revenues, expenditures, and changes in net position includes reconciliation between net changes in net position – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this $707,233 difference are as follows:

Capital outlay	$ 559,633
Depreciation expense	(1,266,866)
Net adjustment to reduce net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	$ (707,233)

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

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

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs (insurance) when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities". The details of this $577,792 difference are as follows:

Bond proceeds	$ 0
Principal repayments:	
Revenue bond debt	300,000
General obligation debt	0
Loans payable	323,351
Bond issue costs	(29,247)
Amortization expense	(16,312)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	$ 577,792

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds". The details of this $66,859 difference are as follows:

Loss on disposal of assets	$ (189,433)
Accrued interest	214,765
Property taxes	120,148
Compensated absences	(78,621)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	$ 66,859

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

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

B. Deficit Fund Equity

At June 30, 2014, the DWI Special Revenue Fund has a deficit fund balance of $1,152. The reason for the deficit is the timing of the grant expenditure and the actual reimbursement.

In addition the Traffic Safety Fees Special Revenue Fund also reports a deficit fund balance of $2,599. In the prior year expenditures exceeded revenues so an inter-fund loan was made to clear the cash overdraft. It is estimated that by the second quarter of fiscal year 2015, the loan will be repaid and the deficit will be resolved.

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

B. Deficit Fund Equity (Continued)

The Series 2014 GO Bond Capital Project fund reported a deficit fund balance of $37,626. It is unusual for a capital projects fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is that the Village had three (3) projects that it could complete within ninety (90) days of the bond issue. Therefore, an inter-fund loan totaling $60,000 was made. The Village issued the general obligation bonds in July 2014 and the inter-fund loan was paid at that time, thus resolving the deficit.

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Below is a summary of the Village's cash, cash equivalents, and investments as of June 30, 2014.

	Fair Market Value (FMV)	Bank Balance	Maturities
DEPOSITORY ACCOUNTS			
Checking	$ 9,234,840	$ 9,906,913	Full Liquidity
Savings	1,494,648	1,494,648	Full Liquidity
Cash with fiscal agent	446,665	446,665	
	11,176,153	11,848,226	
INVESTMENTS			
Money market	289,613	289,613	Full Liquidity
Certificates of deposit	10,584,066	10,584,066	Five Years or Less
State investment pool	68,842	68,842	
Treasury notes	1,501,502	1,501,502	Four Years or Less
	12,444,023	12,444,023	
SUBTOTAL	23,620,176	24,292,249	
CASH ON HAND	1,330	0	
TOTAL	$ 23,621,506	$ 24,292,249	

State statutes (2.60.2 NMSA 1978) authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested fund of the Village properly followed State investment requirements as of June 30, 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 are collateralized as required by statute (2.60.4 NMAC).

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

NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions (Continued)

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

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

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, none of the Village's bank balances of $24,292,249 were exposed to custodial credit risk. All deposits were insured and collateralized by securities held by the pledging bank's trust department, not in the Village's name.

Interest Rate Risk - Deposits

The Village does not have formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. At June 30, 2014, the Village's investment of New MexiGROW LGIP had a value of $68,842 and a 48.6 day WAM.

Credit Risk - Deposits

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two rationings issued by nationally recognized statically rating organizations. The Village has no investment policy that would further limit its investment choices. As of June 30, 2014, the Village's investment in the LGIP was AAAm by Standard & Poor's.

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

A. Cash Deposits with Financial Institutions (Continued)

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

B. Restricted Assets

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

GOVERNMENTAL ACTIVITIES	
Restricted grant funds	$ 2,091,729
Cash with fiscal agent	446,665
Deposits	5,405
	2,543,799
BUSINESS-TYPE ACTIVITIES	
Deposits	482,331
	$ 3,026,130

C. Receivables

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

	General	FEMA	Non-major Governmental	Total
RECEIVABLES				
Accounts	$ 75,851	$ 0	$ 5,779	$ 81,630
Taxes	1,453,877	0	133,427	1,587,304
Interest	13	0	0	13
Intergovernmental	37,311	1,016,097	227,705	1,281,113
	1,567,052	1,016,097	366,911	2,950,060
Allowance for doubtful accounts	(247,041)	(1,016,097)	(230,798)	(1,493,936)
NET RECEIVABLES	$ 1,320,011	$ 0	$ 136,113	$ 1,456,124

In accordance with GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* property tax revenues in the amount of $247,041 that were not collected within the period of availability have been reclassified as deferred revenues in the governmental fund financial statements as of June 30, 2014. In addition, FEMA grant funds advanced during the year in the amount of $941,512 that were not expensed within the period of availability have been reclassified as unearned revenues in the governmental fund financial statements as of June 30, 2014.

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

C. Receivables (Continued)

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

	RJU	Airport	Solid Waste	RWWTP	Total
RECEIVABLES					
Accounts	$ 237,282	$ 58,918	$ 387,955	$ 372,825	$ 1,056,980
Taxes	394,966	0	23,349	186,816	605,131
	632,248	58,918	411,304	559,641	1,662,111
Allowance for doubtful accounts	(45,314)	(83)	(220,663)	(161,751)	(427,811)
NET RECEIVABLES	$ 586,934	$ 58,835	$ 190,641	$ 397,890	$ 1,234,300

D. Internal Balances

During the course of operations, numerous transactions occur between individual funds for loans. These loans are reported as "due from other funds" or "due to other funds" on the balance sheet. Receivables and payables from inter-fund transactions are usually the result of cash overdrafts. Below are inter-fund balances as of June 30, 2014.

GOVERNMENTAL ACTIVITIES	
Due to the General Fund from Non-major Special Revenue Funds	$ 2,600
Due to the FEMA Capital Project Fund from General Fund	83,202
Due to the RJU Enterprise Fund from Non-major Capital Project Fund	60,000
	$ 145,802

Net operating transfers for the year ended June 30, 2014 are as follows:

MAJOR FUNDS	Transfers IN	Transfers OUT	Purpose
Governmental Activities			
General Fund	$ 3,254,311	$ 872,452	Operating subsidies, debt service, and capital funding
Business-type Activities			
RJU	1,182,699	1,292,503	Administrative fees and capital funding
Airport	556,699	0	Operating subsidy
Solid Waste	262,571	315,444	Operating subsidy and administrative fees
RWWTP	0	326,677	Administrative fees
Total Major Funds	5,256,280	2,807,076	
NON-MAJOR FUNDS			
Governmental Activities	1,015,896	3,465,100	Operating subsidies, debt service, and capital funding
	$ 6,272,176	$ 6,272,176	

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

E. Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows.

	Beginning Balance	Additions	Deletions	Transfers/ Adjustmnts	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets, not being depreciated					
Land	$ 10,315,759	$ 0	$ 0	$ 0	$ 10,315,759
Construction in progress	608,537	50,175	(608,537)	0	50,175
Art	18,200	0	(0)	0	18,200
Total capital assets not depreciated	*10,942,496*	*50,175*	*(608,537)*	*0*	*10,384,134*
Capital assets, begin depreciated					
Infrastructure	37,735,215	618,006	0	0	38,353,221
Buildings and improvements	13,303,577	0	0	0	13,303,577
Machinery and equipment	2,318,004	117,923	0	0	2,435,927
Vehicles	5,229,406	382,066	(186,044)	(121,687)	5,303,741
Total capital assets, being depreciated	58,586,202	1,117,995	(186,044)	(121,687)	59,396,466
Accumulated depreciation for:					
Infrastructure	(19,918,290)	(230,291)	0	500,000	(19,648,581)
Buildings and improvements	(5,488,332)	(143,058)	0	0	(5,631,390)
Machinery and equipment	(1,445,915)	(231,734)	0	0	(1,677,649)
Vehicles	(2,587,636)	(661,783)	151,255	(32,957)	(3,131,121)
Total accumulated depreciation	(29,440,173)	(1,266,866)	151,255	467,043	(30,088,741)
Total capital assets, net of depreciation	*29,146,029*	*(148,871)*	*151,255*	*345,356*	*29,307,725*
Net capital assets	**$ 40,088,525**	**$ (98,696)**	**$(643,326)**	**$ 345,356**	**$ 39,691,859**

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

GOVERNMENTAL ACTIVITIES	
General government	$ 325,211
Public safety	362,960
Public works	443,292
Culture and recreation	118,281
Health and welfare	17,122
	$1,266,866

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

E. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfers/ Adjustmnts	Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital assets, not being depreciated					
Land	$ 38,202	$ 1,139,946	$ (38,202)	$ 0	$ 1,139,946
Construction in progress	1,365,316	537,324	(1,367,060)	3,488	539,068
Total capital assets not depreciated	*1,403,518*	*1,677,270*	*(1,405,262)*	*3,488*	*1,679,014*
Capital assets, begin depreciated					
Infrastructure	23,974,408	1,955,895	(1,281,232)	0	24,649,071
Buildings and improvements	4,571,975	502,324	(134,442)	0	4,939,857
Machinery and equipment	1,167,302	128,853	(0)	0	1,296,155
Vehicles	4,848,133	630,267	(252,176)	118,199	5,344,423
Total capital assets, being depreciated	34,561,818	3,217,339	(1,667,850)	118,199	36,229,506
Accumulated depreciation for:					
Infrastructure	(1,815,283)	(421,336)	0	892,619	(1,344,000)
Buildings and improvements	(1,807,553)	(158,393)	0	(1)	(1,965,947)
Machinery and equipment	(723,553)	(119,596)	0	(2,213)	(845,362)
Vehicles	(2,797,076)	(697,716)	194,485	(185,670)	(3,485,977)
Total accumulated depreciation	(7,143,465)	(1,397,041)	194,485	704,735	(7,641,286)
Total capital assets, net of depreciation	*27,418,353*	*1,820,298*	*(1,473,365)*	*822,934*	*28,588,220*
Net capital assets	**$ 28,821,871**	**$ 3,497,568**	**$(2,878,627)**	**$ 826,422**	**$ 30,267,234**

BUSINESS-TYPE ACTIVITIES	
Water and sewer (RJU)	$ 167,416
Airport	243,694
Solid waste	529,170
Wastewater (RWWTP)	456,761
	$1,397,041

During the year, the Village adjusted the useful lives of infrastructure capital assets to 40 years. Depreciated was recomputed and the net change in estimate resulted in an adjustment to reduce accumulated depreciation by $1,171,778 ($467,043 for governmental activities and $704,735 for business-type activities).

F. Long-term Liabilities

Landfill Closure Costs

The Village, County of Lincoln, Village of Capitan, City of Ruidoso Downs, Village of Corona, Town of Carrizozo, County of Otero, City of Alamogordo, Village of Tularosa, and the Village of Cloudcroft have formed the Otero-Lincoln County regional landfill. All trash collected by the Village is transferred to the regional landfill. The financial accountability for the regional landfill is the responsibility of the City of Alamogordo. The Village has pledged environmental gross receipts tax collections to service bonds issued by the City of Alamogordo for facility construction. Financial assurances required by the State of New Mexico Environment Regulation Board for the closure and post- closure care costs are the responsibility of the City of Alamogordo. The Village has no landfill closure liability nor any post-closure costs associated with trash generated by the Village residents for the year ended June 30, 2014.

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

F. Long-term Liabilities (Continued)

Gross Receipts Tax Bonds

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

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

	Amount	Maturity Date
February 2006		
Capital Projects	$ 2,440,000	June 1, 2026
November 2011		
Water Rights	345,000	June 1, 2018
May 2012		
Water Infrastructure	2,185,000	June 1, 2031
	$ 6,070,000	

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

Year	Principal	Interest
2015	$ 155,000	$ 107,363
2016	165,000	100,000
2017	170,000	92,163
2018	180,000	84,087
2019	190,000	75,538
2020 – 2024	1,080,0000	243,322
2025 – 2026	500,000	31,965
	$2,440,000	$ 734,438

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

Year	Principal	Interest
2015	$ 80,000	$ 11,040
2016	855,000	8,480
2017	90,000	5,760
2018	90,000	2,880
	$ 345,000	$ 28,160

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

F. Long-term Liabilities (Continued)

Gross Receipts Tax Bonds (Continued)

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

Year	Principal	Interest
2015	$ 105,000	$ 62,588
2016	105,000	60,488
2017	110,000	58,387
2018	115,000	56,188
2019	115,000	53,887
2020 – 2024	610,000	222,388
2025 – 2029	710,000	121,731
2030 – 2031	315,000	15,437
	$2,185,000	$ 651,094

Revenue Bonds

The Village also issues bonds were the Village pledges income derived from the net revenues from the operation of the municipal regional wastewater treatment plant. Revenue bonds have been issued for business-type activities. The original amount of revenue bonds issued in prior years was $5,130,000. These bonds provided funds for the refunding of revenue bonds that were used for the construction and/or improvements to the wastewater distribution system. Interest rate on the bonds is 2.64%.

During the current fiscal year, the Village issued $8,445,000 in revenue bonds to refund $7,858,572 in Series 2009C Revenue Bonds and $995,187 in New Mexico Environmental Department Loans. The bonds were issued on July 12, 2013 at a premium of $252,162. Interest rates on the bonds range from 2.00% to 4.00%.

Revenue bonds outstanding at year-end are as follows:

	Amount	Maturity Date
Refunding Bonds		
June 2013	$ 5,130,000	July 1, 2027
July 2013	8,445,000	July 1, 2030
	$ 13,575,000	

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

F. Long-term Liabilities (Continued)

Revenue Bonds (Continued)

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

Year	Principal	Interest
2015	$ 310,000	$ 435,203
2016	720,000	422,903
2017	740,000	406,254
2018	760,000	387,017
2019	775,000	363,032
2020 – 2024	4,280,000	1,421,738
2025 – 2029	4,180,000	691,633
2030 – 2031	1,810,000	86,800
	$13,575,000	$4,214,580

Capital Loans

The Village has also issued low interest rate loans provided by intergovernmental agencies and financial institutions for the acquisition of minor equipment needs and construction of major capital facilities. Capital loans were issued for both governmental and business-type activities. The original amount of capital loans issued in prior years was $3,563,820.

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

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

Year	Principal	Interest
2015	$ 105,000	$ 14,499
2016	105,000	12,473
2017	110,000	10,078
2018	115,000	7,142
2019	115,000	3,726
	$ 550,000	$ 47,918

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

F. Long-term Liabilities (Continued)

Capital Loans (Continued)

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

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

Year	Principal	Interest
2015	$ 96,631	$ 7,232
2016	100,399	3,715
	$ 197,030	$ 10,947

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

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

Year	Principal	Interest
2015	$ 62,775	$ 27,294
2016	64,118	25,951
2017	65,664	24,405
2018	67,377	22,691
2019	69,311	20,758
2020 – 2024	384,027	66,317
2025	86,264	3,804
	$ 799,536	$ 191,220

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

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

F. Long-term Liabilities (Continued)

Capital Loans (Continued)
Debt service requirements to maturity of this loan are as follows:

Year	Principal	Interest
2015	$ 65,080	$ 49,961
2016	66,805	48,237
2017	68,715	46,326
2018	70,887	44,154
2019	73,269	41,773
2020 – 2024	409,932	165,275
2025 - 2029	504,307	70,900
	$ 1,258,995	$ 466,626

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

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

Year	Principal	Interest
2015	$ 92,791	$ 2,810
2019	23,751	150
	$ 116,542	$ 2,960

Changes in Long-term Liabilities
In prior years, unamortized bond premiums and bond issuance costs were reported as a part of long-term liabilities (debt). With the adoption of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* these amounts are now expensed in the year of issuance, with the exception of insurance premiums. Long-term liability activity for the year ended June 30, 2014 follows:

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

F. Long-term Liabilities (Continued)

Changes in Long-term Liabilities (Continued)

	Outstanding 07/01/13	Borrowings	Repayments	Outstanding 06/30/14	Due within One Year
GOVERNMENTAL ACTIVITIES					
Gross receipts tax bonds	$ 2,740,000	$ 0	$ 300,000	$ 2,440,000	$ 155,000
Capital loans	3,128,912	0	323,351	2,805,561	329,486
	5,868,912	0	623,351	5,245,561	484,486
Compensated absences	620,429	78,621	0	699,050	55,924
Total Governmental Activities	6,489,341	78,621	623,351	5,944,611	540,410
BUSINESS-TYPE ACTIVITIES					
Gross receipts tax bonds	2,710,000	0	180,000	2,530,000	185,000
Revenue bonds	12,994,359	8,445,000	7,864,359	13,575,000	310,000
Capital loans	1,420,187	0	1,303,645	116,542	92,791
	17,124,546	8,445,000	9,348,004	16,221,542	587,791
Compensated absences	142,299	287,666	0	429,965	34,397
Total Business-type Activities	17,266,845	8,732,666	9,348,004	16,651,507	622,188
TOTAL PRIMARY GOVERNMENT	$ 23,756,186	$ 8,811,287	$ 9,971,355	$ 22,596,118	$ 1,162,598

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

G. Leases

Operating Leases
The Village leases office equipment, machinery, and police motorcycles under short-term cancellable operating leases. Rental expenses for the year ended June 30, 2014 was $194,455.

H. Fund Balance

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

NOTE 5. OTHER INFORMATION

A. Risk Management

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

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would not be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self- Insurers' Fund (NMSIF) assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverages have not changed significantly from prior years and coverages are expected to be continued. At June 30, 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. No major lawsuits have been filed against the Village of Ruidoso.

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

B. Contingent Liabilities

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

The Village was a defendant in various claims and lawsuits at June 30, 2014. Although the outcome of these suits and claims is not presently determinable, it is the opinion of legal counsel that all claims were within insurance policy limits or risk management provisions.

NOTE 5. OTHER INFORMATION (CONTINUED)

C. PERA Pension Plan

Plan Description

Substantially all of the Village's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article11, NMSA 1978). The Public Employees 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, NM 87504-2123. The report is also available on PERA's website at http://www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees and 9.15% for municipal employees. The Village was required to contribute the following percentages of the gross covered salary: 21.25% for fire protection plan members, 18.5% for law enforcement plan members, and 9.15% for municipal plan members. The contribution requirements of plan members and the Village 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 fiscal years ending June 30, 2014, 2013, and 2012 were $906,767, $1,255,056, and $1,157,416, respectively.

D. Post-Employment Benefits

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

E. Deferred Compensation

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

The plans are available to all Village employees. The plans permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees elect to contribute a certain percentage of their gross salary, but the amount of contribution cannot exceed 33.5% of their salary up to a maximum dollar amount of $13,000 per year into the plan. All contributions withheld from the participants' wages by the Village have been paid to the plan administrator. Currently, there are forty-four employees participating in the plan. Employee contributions totaled $65,520 ($57,388 ICMA and $8,132 Nationwide) for the year ended June 30, 2014.

NOTE 5. OTHER INFORMATION (CONTINUED)

F. Concentrations

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

G. Subsequent Events

The Village issued General Obligation bonds on July 22, 2014 for the purpose of improving the water distribution system. The face value of the bonds was $1,500,000 with an interest rate of 1.66%. The term of the bonds is ten (10) years with payments commencing in August 2015. Principal is paid annually each August and interest is paid semi-annually each August and February. The issue was a private placement with Wells Fargo Bank. The bonds are secured by and payable from a new debt service mill levy of 1.5 was voted by the citizens of Ruidoso in March 2014 and takes effect November 2014. The Village hopes to leverage this property tax and start a GO Bond cycling system where the Village issues $1,500,000 in bonds every two (2) years. The water distribution system is in need of massive rehabilitation in order to reduce the amount of water losses from production to distribution.

The Village obtained a grant/loan from NMFA through its Water Trust Board on August 15, 2014 for the purpose of replacing water meters. The original amount of the loan is $3,030,000, but includes a grant of principal forgiveness of $757,500, which nets the loan to $2,272,500. The loan carries an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing in commencing May 2017. Principal is paid annually each May and interest is paid semi-annually each November and May. The loan is secured by and payable from SGRT tax distributions.

The Village obtained a loan from NMFA through its Water Trust Board on August 22, 2014 for the engineering of the Grindstone Lake dam liner repair project. The original amount of the loan is $553,000, but includes a grant of principal forgiveness of $497,700, which nets the loan to $55,300. The loan carries an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing in commencing June 2015. Principal and interest are paid annually each June. The loan is secured by and payable from SGRT tax distributions.

The Village obtained a loan from NMFA through its Water Trust Board on August September 5, 2014 for the construction of the Grindstone Lake dam liner. The original amount of the loan is $3,157,600, but includes a grant of principal forgiveness of $2,841,840, which nets the loan to $315,760. The loan carries an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing in commencing June 2015. Principal and interest are paid annually each June. The loan is secured by and payable from SGRT tax distributions.

NOTE 5. OTHER INFORMATION (CONTINUED)

H. Recent Accounting Pronouncements

In June 2011, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 5.* Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the Village in upcoming years.

In March 2011, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65, which is effective for financial statements for periods beginning after December 15, 2012, amends or supersedes accounting and financial reporting guidance for certain items previously reported as assets or liabilities. The Village adopted GASB Statement No. 65 in fiscal year 2014 by retroactively restating financial statements for all periods presented.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68, which is effective for financial statements for periods beginning after June 15, 2014, replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. Upon adoption of this standard for the fiscal year ending June 30, 2015, the statement of net position will included a material liability for pension participation.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations,* which is effective for financial statements for periods beginning after December 15, 2013. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The standard is expected to have no effect on the Village in upcoming years.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68.* GASB Statement No. 71 should be applied simultaneously with the provisions of Statement No. 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The standard is expected to have no effect on the Village in upcoming years.

SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Municipal Gas Tax Fund acco9unts for resources received form the once-cent gasoline tax imposed by Section 7-1-6.27 NMSA 1978. The funds are to be used for the reconstruction, resurfacing, maintaining and repairing, or otherwise improvement of existing or new alleys, streets, roads, or bridges.

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

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

1/8 Infrastructure Tax Fund accounts for specifically designated state-shared gross receipts taxes imposed by 3-34-1 to 3-34-5 and 7-19A-1 to 7-19A-7 NMSA 1978. Expenditures are restricted to infrastructure improvements. This fund was closed during fiscal year 2014 and revenues were reverted back to the General Fund.

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

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

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

Impact Fees Fund accounts for the proceeds of water, sewer, and wastewater system connection fees under 3-26 NMSA 1978. The funds collected are to be used for the improvement of system distribution lines.

Convention Center Fund accounts for the operation and maintenance of the Village's Civic Center. Authority for creation of this fund is approved by Village Council.

Parks and Recreation Fund accounts for the residual revenues received from the Village's distribution of the State's one-cent cigarette tax that was repealed in 2012. These funds are to be spent on the operation of recreation facilities, including salaries of instructors and other employees within the guidelines set forth on disposition of revenues collected under the authority of the laws of the state of New Mexico (Section 7/12-15 NMSA 1978). This fund was closed during fiscal year 2014.

DEBT SERVICE FUNDS

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

½% Gross Receipts Tax Fund accounts for the accumulation of resources for and the payment of, principal and interest of NMFA loans issued. The resources of this fund are generated by the Village's share of the gross receipts tax. Authority for creation of this fund is approved by Village Council. This fund was closed during fiscal year 2014 and revenues reverted back to the General Fund.

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

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

RWWTP Fund accounts for the accumulation of resources for the construction of the Village's new wastewater treatment plant. The resources of this fund are generated by federal and state grants and bond issues. Authority for creation of this fund is approved by Village Council. This fund was closed during fiscal year 2014 and holdings were transferred to the RWWTP Enterprise Fund.

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

Auction Proceeds Fund accounts for the accumulation of proceeds received from the disposal of Village assets. The expenditures are restricted to purchase and maintenance of capital assets. Authority for creation of this fund is approved by Village Council.

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	SPECIAL REVENUE FUNDS					
	Correction Fees	Emergency Medical Services	Fire Protection	Law Enforcement Protection	Lodgers' Tax	Muncipal Gas Tax
ASSETS						
Cash and cash equivalents	$ 27,408	$ 7,825	$ 97,287	$ 636	$ 56,510	$ 73,215
Investments	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	108,570	24,857
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	209,415
Prepaid items	-	-	-	-	-	-
Total Assets	$ 27,408	$ 7,825	$ 97,287	$ 636	$ 165,080	$ 307,487
LIABILITIES						
Accounts payable	$ 752	$ -	$ 2,013	$ -	$ 14,988	$ 2,812
Accrued liabilities	-	-	-	-	-	18,383
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	752	-	2,013	-	14,988	21,195
FUND BALANCES (DEFICITS)						
Nonspendable:						
Inventory	-	-	-	-	-	209,415
Prepaid items	-	-	-	-	-	-
Restricted:						
Public safety	26,656	7,825	95,274	636	-	-
Capial projects	-	-	-	-	-	72,955
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	150,092	-
Assigned:						
Purchases on order	-	-	-	-	-	3,922
Subsequent year's budget; appropriation of fund	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	26,656	7,825	95,274	636	150,092	286,292
Total Liabilities and Fund Balances (Deficits)	$ 27,408	$ 7,825	$ 97,287	$ 636	$ 165,080	$ 307,487

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

SPECIAL REVENUE FUNDS							
RSVP	DWI	1/8th Infrastructure Tax	Forestry Operations	Traffic Safety Fees	Impact Fees	Convention Center	Parks and Recreation
$ 13,496	$ 457	$ -	$ 120,772	$ 1	$ 342,033	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,686	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 16,182	$ 457	$ -	$ 120,772	$ 1	$ 342,033	$ -	$ -
$ 986	$ 1,609	$ -	$ 12	$ -	$ -	$ -	$ -
1,086	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,600	-	-	-
-	-	-	-	-	-	-	-
2,072	1,609	-	12	2,600	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	306,653	-	-
-	-	-	-	-	-	-	-
14,110	-	-	99,192	-	-	-	-
-	-	-	-	-	35,380	-	-
-	-	-	21,568	-	-	-	-
-	(1,152)	-	-	(2,599)	-	-	-
14,110	(1,152)	-	120,760	(2,599)	342,033	-	-
$ 16,182	$ 457	$ -	$ 120,772	$ 1	$ 342,033	$ -	$ -

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Subtotal Special Revenue Funds	DEBT SERVICE FUNDS		Subtotal Debt Service Funds	CAPITAL PROJECT FUNDS	
		1/2% Gross Receipts Tax	NMFA Loans		RWWTP	Series 2014 GO Bond
ASSETS						
Cash and cash equivalents	$ 739,640	$ -	$ -	$ -	$ -	$ 22,374
Investments	-	-	-	-	-	-
Restricted cash	-	-	446,665	446,665	-	-
Receivables, net of allowance	136,113	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	209,415	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total Assets	$ 1,085,168	$ -	$ 446,665	$ 446,665	$ -	$ 22,374
LIABILITIES						
Accounts payable	$ 23,172	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	19,469	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	2,600	-	-	-	-	60,000
Unearned revenue	-	-	-	-	-	-
Total Liabilities	45,241	-	-	-	-	60,000
FUND BALANCES (DEFICITS)						
Nonspendable:						
Inventory	209,415	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted:						
Public safety	130,391	-	-	-	-	-
Capital projects	379,608	-	-	-	-	-
Debt service	-	-	446,665	446,665	-	-
Other purposes	263,394	-	-	-	-	-
Assigned:						
Purchases on order	39,302	-	-	-	-	-
Subsequent year's budget; appropriation of fund	21,568	-	-	-	-	-
Unassigned	(3,751)	-	-	-	-	(37,626)
Total Fund Balances (Deficits)	1,039,927	-	446,665	446,665	-	(37,626)
Total Liabilities and Fund Balances (Deficits)	$ 1,085,168	$ -	$ 446,665	$ 446,665	$ -	$ 22,374

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

CAPITAL PROJECT FUND Auction Proceeds	Subtotal Capital Project Funds	Total Non Major Governmental Funds
$ -	$ 22,374	$ 762,014
-	-	-
-	-	446,665
-	-	136,113
-	-	-
-	-	209,415
-	-	-
$ -	$ 22,374	$ 1,554,207
$ -	$ -	$ 23,172
-	-	19,469
-	-	-
-	60,000	62,600
-	-	-
-	60,000	105,241
-	-	209,415
-	-	-
		-
-	-	130,391
-	-	379,608
-	-	446,665
-	-	263,394
		-
-	-	39,302
-	-	21,568
-	(37,626)	(41,377)
-	(37,626)	1,448,966
$ -	$ 22,374	$ 1,554,207

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS					
	Correction Fees	Emergency Medical Services	Fire Protection	Law Enforcement Protection	Lodgers' Tax	Muncipal Gas Tax
REVENUES						
Taxes:						
Property	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-	-	-
Other	-	-	-	-	1,308,891	170,589
Intergovernmental:						
Federal grants	-	-	-	-	-	-
State grants	-	15,603	378,459	33,799	-	225,019
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	5,779
Fines and forfeitures	44,456	-	-	-	-	-
Investment earnings	-	-	-	-	444	(2)
Miscellaneous	-	-	-	-	3,940	-
Total Revenues	44,456	15,603	378,459	33,799	1,313,275	401,385
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	12,788	10,006	89,221	33,766	-	-
Public works	-	-	-	-	-	70,579
Culture and recreation	-	-	-	-	1,376,132	-
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	335,129	-	-	-
Total Expenditures	12,788	10,006	424,350	33,766	1,376,132	70,579
Excess (Deficiency) of Revenues over Expenditures	31,668	5,597	(45,891)	33	(62,857)	330,806
OTHER FINANCING SOURCES (USES)						
Transfers in	11,532	-	-	-	2,500	-
Transfers out	-	-	(140,227)	-	(284,052)	(220,300)
Refunding bonds issued	-	-	-	-	-	-
Net Other Financing Sources (Uses)	11,532	-	(140,227)	-	(281,552)	(220,300)
Net Change in Fund Balances	43,200	5,597	(186,118)	33	(344,409)	110,506
Fund Balances, Beginning of Year	(16,544)	2,228	281,392	603	494,501	175,786
Fund Balances, End of Year	$ 26,656	$ 7,825	$ 95,274	$ 636	$ 150,092	$ 286,292

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

SPECIAL REVENUE FUNDS							
RSVP	DWI	1/8th Infrastructure Tax	Forestry Operations	Traffic Safety Fees	Impact Fees	Convention Center	Parks and Recreation
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	546,029	-	-	-	-	-
-	-	-	-	-	-	-	-
1,500	-	-	363,691	-	-	-	-
34,055	178,069	-	24,462	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	50,179	-	-
-	-	-	-	6,517	-	-	-
-	-	-	-	-	60	-	-
-	-	-	-	-	-	-	4,514
35,555	178,069	546,029	388,153	6,517	50,239	-	4,514
-	-	-	-	-	-	-	-
-	183,899	-	-	-	-	-	-
-	-	-	326,493	-	12,936	-	-
-	-	-	-	-	-	-	13,353
36,840	-	-	-	-	-	-	-
-	-	300,000	-	-	-	-	-
-	-	119,363	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
36,840	183,899	419,363	326,493	-	12,936	-	13,353
(1,285)	(5,830)	126,666	61,660	6,517	37,303	-	(8,839)
-	-	-	-	-	-	12,647	-
-	-	(731,703)	-	-	(588,225)	-	-
-	-	-	-	-	-	-	-
-	-	(731,703)	-	-	(588,225)	12,647	-
(1,285)	(5,830)	(605,037)	61,660	6,517	(550,922)	12,647	(8,839)
15,395	4,678	605,037	59,100	(9,116)	892,955	(12,647)	8,839
$ 14,110	$ (1,152)	$ -	$ 120,760	$ (2,599)	$ 342,033	$ -	$ -

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Subtotal Special Revenue Funds	DEBT SERVICE FUNDS		Subtotal Debt Service Funds	CAPITAL PROJECT FUNDS	
		1/2% Gross Receipts Tax	NMFA Loans		RWWTP	Series 2014 GO Bond
REVENUES						
Taxes:						
Property	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	546,029	1,065,812	-	1,065,812	-	-
Other	1,479,480	-	-	-	-	-
Intergovernmental:						
Federal grants	365,191	-	-	-	-	-
State grants	889,466	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	55,958	-	-	-	-	-
Fines and forfeitures	50,973	-	-	-	-	-
Investment earnings	502	-	1,447	1,447	-	-
Miscellaneous	8,454	-	-	-	(55,229)	-
Total Revenues	3,396,053	1,065,812	1,447	1,067,259	(55,229)	-
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	329,680	-	-	-	-	-
Public works	410,008	-	-	-	-	-
Culture and recreation	1,389,485	-	-	-	-	-
Health and welfare	36,840	-	-	-	-	-
Debt service:						
Principal	300,000	-	323,351	323,351	-	-
Interest	119,363	-	107,285	107,285	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay	335,129	-	-	-	-	-
Total Expenditures	2,920,505	-	430,636	430,636	-	-
Excess (Deficiency) of Revenues over Expenditures	475,548	1,065,812	(429,189)	636,623	(55,229)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	26,679	113,363	875,854	989,217	-	-
Transfers out	(1,964,507)	(1,408,011)	-	(1,408,011)	-	(37,626)
Refunding bonds issued	-	-	-	-	-	-
Net Other Financing Sources (Uses)	(1,937,828)	(1,294,648)	875,854	(418,794)	-	(37,626)
Net Change in Fund Balances	(1,462,280)	(228,836)	446,665	217,829	(55,229)	(37,626)
Fund Balances, Beginning of Year	2,502,207	228,836	-	228,836	55,229	-
Fund Balances, End of Year	$ 1,039,927	$ -	$ 446,665	$ 446,665	$ -	$ (37,626)

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

CAPITAL PROJECT FUND Auction Proceeds	Subtotal Capital Project Funds	Total Non Major Governmental Funds
$ -	$ -	$ -
-	-	1,611,841
-	-	1,479,480
-	-	365,191
-	-	889,466
-	-	-
-	-	55,958
-	-	50,973
-	-	1,949
-	(55,229)	(46,775)
-	(55,229)	4,408,083
-	-	-
-	-	329,680
-	-	410,008
-	-	1,389,485
-	-	36,840
-	-	623,351
-	-	226,648
-	-	-
-	-	335,129
-	-	3,351,141
-	(55,229)	1,056,942
-	-	1,015,896
(54,956)	(92,582)	(3,465,100)
-	-	-
(54,956)	(92,582)	(2,449,204)
(54,956)	(147,811)	(1,392,262)
54,956	110,185	2,841,228
$ -	$ (37,626)	$ 1,448,966

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

FIDUCIARY (AGENCY) FUNDS

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

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

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

STATE OF NEW MEXICO

VILLAGE OF RUIDOSO

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2014

APPEARANCE BONDS	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash and cash equivalents	$ 3,709	$ 1,130	$ 2,437	$ 2,402
Total Assets	$ 3,709	$ 1,130	$ 2,437	$ 2,402
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Special projects payable	3,709	1,130	2,437	2,402
Total Liabilities	$ 3,709	$ 1,130	$ 2,437	$ 2,402
SPECIAL GIFTS				
ASSETS				
Cash and cash equivalents	$ -	$ 121,055	$ 6,320	$ 114,735
Total Assets	$ -	$ 121,055	$ 6,320	$ 114,735
LIABILITIES				
Accounts payable	$ -	$ 320	$ -	$ 320
Special projects payable	-	120,735	6,320	114,415
Total Liabilities	$ -	$ 121,055	$ 6,320	$ 114,735
TOTAL				
ASSETS				
Cash and cash equivalents	$ 3,709	$ 122,185	$ 8,757	$ 117,137
Total Assets	$ 3,709	$ 122,185	$ 8,757	$ 117,137
LIABILITIES				
Accounts payable	$ -	$ 320	$ -	$ 320
Special projects payable	3,709	121,865	8,757	116,817
Total Liabilities	$ 3,709	$ 122,185	$ 8,757	$ 117,137

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

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
CORRECTION FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	35,000	35,000	44,456	9,456
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	35,000	35,000	44,456	9,456
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	35,000	18,752	12,036	6,716
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	35,000	18,752	12,036	6,716
Excess (Deficiency) of Revenues over Expenditures	-	16,248	32,420	16,172
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(27,749)	-	27,749
Transfers in	-	12,397	11,532	(865)
Transfers out	-	(896)	-	896
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	(16,248)	11,532	27,780
Net Change in Cash Balances	$ -	$ -	43,952	$ 43,952
Cash Balances, Beginning of Year			(16,544)	
Cash Balances, End of Year			$ 27,408	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 43,952	
Adjustments to revenues			-	
Adjustments to expenditures			(752)	
Net Change in Fund Balances (GAAP Basis)			$ 43,200	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
EMERGENCY MEDICAL SERVICES (EMS) SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	16,045	16,045	15,603	(442)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	16,045	16,045	15,603	(442)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	16,045	16,045	10,007	6,038
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	16,045	16,045	10,007	6,038
Excess (Deficiency) of Revenues over Expenditures	-	-	5,596	5,596
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-
Net Change in Cash Balances	$ -	$ -	5,596	$ 5,596
Cash Balances, Beginning of Year			2,229	
Cash Balances, End of Year			$ 7,825	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 5,596	
Adjustments to revenues			-	
Adjustments to expenditures			1	
Net Change in Fund Balances (GAAP Basis)			$ 5,597	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	230,000	378,459	378,459	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	230,000	378,459	378,459	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	90,000	90,480	88,779	1,701
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	90,069	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	37,000	335,459	335,129	330
Total Expenditures	217,069	425,939	423,908	2,031
Excess (Deficiency) of Revenues over Expenditures	12,931	(47,480)	(45,449)	2,031
OTHER FINANCING SOURCES (USES)				
Designated cash	(12,931)	187,707	-	(187,707)
Transfers in	-	-	-	-
Transfers out	-	(140,227)	(140,227)	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(12,931)	47,480	(140,227)	(187,707)
Net Change in Cash Balances	$ -	$ -	(185,676)	$ (185,676)
Cash Balances, Beginning of Year			282,963	
Cash Balances, End of Year			$ 97,287	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (185,676)	
Adjustments to revenues			-	
Adjustments to expenditures			(442)	
Net Change in Fund Balances (GAAP Basis)			$ (186,118)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	33,800	33,800	33,799	(1)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	1,330	-	-	-
Total Revenues	35,130	33,800	33,799	(1)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	25,130	25,330	34,494	(9,164)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	10,000	9,800	-	9,800
Total Expenditures	35,130	35,130	34,494	636
Excess (Deficiency) of Revenues over Expenditures	-	(1,330)	(695)	635
OTHER FINANCING SOURCES (USES)				
Designated cash	-	1,330	-	(1,330)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	1,330	-	(1,330)
Net Change in Cash Balances	$ -	$ -	(695)	$ (695)
Cash Balances, Beginning of Year			1,331	
Cash Balances, End of Year			$ 636	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (695)	
Adjustments to revenues			-	
Adjustments to expenditures			728	
Net Change in Fund Balances (GAAP Basis)			$ 33	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
LODGERS' TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	1,255,000	1,255,000	1,200,321	(54,679)
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	1,500	1,500	444	(1,056)
Miscellaneous	382,342	3,940	3,940	-
Total Revenues	1,638,842	1,260,440	1,204,705	(55,735)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,261,434	1,483,334	1,371,174	112,160
Health and welfare	-	-	-	-
Debt service:				
Principal	115,042	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,376,476	1,483,334	1,371,174	112,160
Excess (Deficiency) of Revenues over Expenditures	262,366	(222,894)	(166,469)	56,425
OTHER FINANCING SOURCES (USES)				
Designated cash	(79,366)	504,446	-	(504,446)
Transfers in	-	2,500	2,500	-
Transfers out	(183,000)	(284,052)	(284,052)	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(262,366)	222,894	(281,552)	(504,446)
Net Change in Cash Balances	$ -	$ -	(448,021)	$ (448,021)
Cash Balances, Beginning of Year			504,531	
Cash Balances, End of Year			$ 56,510	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (448,021)	
Adjustments to revenues			108,570	
Adjustments to expenditures			(4,958)	
Net Change in Fund Balances (GAAP Basis)			$ (344,409)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
MUNCIPAL GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	193,000	193,000	145,732	(47,268)
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	36,799	36,799
Licenses and permits	-	-	-	-
Charges for services	-	-	5,779	5,779
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	(2)	(2)
Miscellaneous	-	-	-	-
Total Revenues	193,000	193,000	188,308	(4,692)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	75,000	75,060	70,579	4,481
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	104,347	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	179,347	75,060	70,579	4,481
Excess (Deficiency) of Revenues over Expenditures	13,653	117,940	117,729	(211)
OTHER FINANCING SOURCES (USES)				
Designated cash	(13,653)	102,360	-	(102,360)
Transfers in	-	-	-	-
Transfers out	-	(220,300)	(220,300)	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(13,653)	(117,940)	(220,300)	(102,360)
Net Change in Cash Balances	$ -	$ -	(102,571)	$ (102,571)
Cash Balances, Beginning of Year			175,786	
Cash Balances, End of Year			$ 73,215	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (102,571)	
Adjustments to revenues			213,077	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 110,506	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RSVP SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	1,500	1,500	-
State grants	33,280	33,280	31,369	(1,911)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	33,280	34,780	32,869	(1,911)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	33,280	35,780	34,768	1,012
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	33,280	35,780	34,768	1,012
Excess (Deficiency) of Revenues over Expenditures	-	(1,000)	(1,899)	(899)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	1,000	-	(1,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	1,000	-	(1,000)
Net Change in Cash Balances	$ -	$ -	(1,899)	$ (1,899)
Cash Balances, Beginning of Year			15,395	
Cash Balances, End of Year			$ 13,496	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (1,899)	
Adjustments to revenues			(2,686)	
Adjustments to expenditures			3,300	
Net Change in Fund Balances (GAAP Basis)			$ (1,285)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
DWI SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	177,616	178,000	178,069	69
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	177,616	178,000	178,069	69
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	177,616	183,920	183,536	384
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	177,616	183,920	183,536	384
Excess (Deficiency) of Revenues over Expenditures	-	(5,920)	(5,467)	453
OTHER FINANCING SOURCES (USES)				
Designated cash	-	5,920	-	(5,920)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	5,920	-	(5,920)
Net Change in Cash Balances	$ -	$ -	(5,467)	$ (5,467)
Cash Balances, Beginning of Year			5,924	
Cash Balances, End of Year			$ 457	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (5,467)	
Adjustments to revenues			-	
Adjustments to expenditures			(363)	
Net Change in Fund Balances (GAAP Basis)			$ (5,830)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
1/8TH INFRASTRUCTURE TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	633,000	638,490	638,489	(1)
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	633,000	638,490	638,489	(1)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	121,180	300,000	300,000	-
Interest	263,363	119,363	119,363	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	384,543	419,363	419,363	-
Excess (Deficiency) of Revenues over Expenditures	248,457	219,127	219,126	(1)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	512,575	-	(512,575)
Transfers in	-	-	-	-
Transfers out	(248,457)	(731,702)	(731,703)	(1)
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(248,457)	(219,127)	(731,703)	(512,576)
Net Change in Cash Balances	$ -	$ -	(512,577)	$ (512,577)
Cash Balances, Beginning of Year			512,577	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (512,577)	
Adjustments to revenues			(92,460)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (605,037)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FORESTRY OPERATIONS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	292,200	590,979	363,691	(227,288)
State grants	21,250	21,250	24,462	3,212
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	100,000	-	-	-
Total Revenues	413,450	612,229	388,153	(224,076)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	332,000	604,728	326,517	278,211
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	332,000	604,728	326,517	278,211
Excess (Deficiency) of Revenues over Expenditures	81,450	7,501	61,636	54,135
OTHER FINANCING SOURCES (USES)				
Designated cash	(81,450)	(7,501)	-	7,501
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(81,450)	(7,501)	-	7,501
Net Change in Cash Balances	$ -	$ -	61,636	$ 61,636
Cash Balances, Beginning of Year			59,136	
Cash Balances, End of Year			$ 120,772	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 61,636	
Adjustments to revenues			-	
Adjustments to expenditures			24	
Net Change in Fund Balances (GAAP Basis)			$ 61,660	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
TRAFFIC ENFORCEMENT FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	5,000	5,000	6,517	1,517
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	5,000	5,000	6,517	1,517
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	5,000	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	5,000	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	5,000	6,517	1,517
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(14,116)	-	14,116
Transfers in	-	9,116	2,600	(6,516)
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	(5,000)	2,600	7,600
Net Change in Cash Balances	$ -	$ -	9,117	$ 9,117
Cash Balances, Beginning of Year			(9,116)	
Cash Balances, End of Year			$ 1	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 9,117	
Adjustments to revenues			(2,600)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 6,517	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
IMPACT FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	418,000	418,000	74,928	(343,072)
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	60	60
Miscellaneous	1,300,000	-	-	-
Total Revenues	1,718,000	418,000	74,988	(343,012)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	500	20,000	12,936	7,064
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	1,508,800	1,320,630	379,938	940,692
Total Expenditures	1,509,300	1,340,630	392,874	947,756
Excess (Deficiency) of Revenues over Expenditures	208,700	(922,630)	(317,886)	604,744
OTHER FINANCING SOURCES (USES)				
Designated cash	(163,421)	967,909	-	(967,909)
Transfers in	-	-	-	-
Transfers out	(45,279)	(45,279)	(588,225)	(542,946)
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(208,700)	922,630	(588,225)	(1,510,855)
Net Change in Cash Balances	$ -	$ -	(906,111)	$ (906,111)
Cash Balances, Beginning of Year			1,248,144	
Cash Balances, End of Year			$ 342,033	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (906,111)	
Adjustments to revenues			(24,749)	
Adjustments to expenditures			379,938	
Net Change in Fund Balances (GAAP Basis)			$ (550,922)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
CONVENTION CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(2,777)	-	2,777
Transfers in	-	2,777	2,747	(30)
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	-	2,747	2,747
Net Change in Cash Balances	$ -	$ -	2,747	$ 2,747
Cash Balances, Beginning of Year			(2,747)	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 2,747	
Adjustments to revenues			9,900	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 12,647	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	5,000	5,000	4,514	(486)
Total Revenues	5,000	5,000	4,514	(486)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	5,000	13,380	13,353	27
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	5,000	13,380	13,353	27
Excess (Deficiency) of Revenues over Expenditures	-	(8,380)	(8,839)	(459)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	8,380	-	(8,380)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	8,380	-	(8,380)
Net Change in Cash Balances	$ -	$ -	(8,839)	$ (8,839)
Cash Balances, Beginning of Year			8,839	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (8,839)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (8,839)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
1/2% GROSS RECEIPTS TAX DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	1,300,000	1,300,000	1,294,648	(5,352)
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,300,000	1,300,000	1,294,648	(5,352)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	1,300,000	1,300,000	1,294,648	(5,352)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(5,352)	-	5,352
Transfers in	-	113,363	113,363	-
Transfers out	(1,300,000)	(1,408,011)	(1,408,011)	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(1,300,000)	(1,300,000)	(1,294,648)	5,352
Net Change in Cash Balances	$ -	$ -	-	$ -
Cash Balances, Beginning of Year			-	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ -	
Adjustments to revenues			(228,836)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (228,836)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
NMFA LOANS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	2,000	1,447	(553)
Miscellaneous	-	-	-	-
Total Revenues	-	2,000	1,447	(553)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	323,360	323,351	9
Interest	-	107,290	107,285	5
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	430,650	430,636	14
Excess (Deficiency) of Revenues over Expenditures	-	(428,650)	(429,189)	(539)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(447,204)	-	447,204
Transfers in	-	875,854	875,854	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	428,650	875,854	447,204
Net Change in Cash Balances	$ -	$ -	446,665	$ 446,665
Cash Balances, Beginning of Year			-	
Cash Balances, End of Year			$ 446,665	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 446,665	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ 446,665	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
FEMA CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	3,602,624	4,552,496	3,758,692	(793,804)
State grants	1,001,110	1,127,423	728,440	(398,983)
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	707,974	370,286	-	(370,286)
Total Revenues	5,311,708	6,050,205	4,487,132	(1,563,073)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,644,330	3,644,330	3,143,670	500,660
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	1,255,223	2,265,723	28,920	2,236,803
Total Expenditures	4,899,553	5,910,053	3,172,590	2,737,463
Excess (Deficiency) of Revenues over Expenditures	412,155	140,152	1,314,542	1,174,390
OTHER FINANCING SOURCES (USES)				
Designated cash	(11)	(140,152)	-	140,152
Transfers in	-	-	-	-
Transfers out	(412,144)	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	(412,155)	(140,152)	-	140,152
Net Change in Cash Balances	$ -	$ -	1,314,542	$ 1,314,542
Cash Balances, Beginning of Year			488,688	
Cash Balances, End of Year			$ 1,803,230	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 1,314,542	
Adjustments to revenues			(569,811)	
Adjustments to expenditures			(538,934)	
Net Change in Fund Balances (GAAP Basis)			$ 205,797	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RWWTP CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	(55,229)	(55,229)
Total Revenues	-	-	(55,229)	(55,229)
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	(55,229)	(55,229)
OTHER FINANCING SOURCES (USES)				
Designated cash	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-
Net Change in Cash Balances	$ -	$ -	(55,229)	$ (55,229)
Cash Balances, Beginning of Year			55,229	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (55,229)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (55,229)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
SERIES 2014 GO BOND CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	58,120	-	58,120
Total Expenditures	-	58,120	-	58,120
Excess (Deficiency) of Revenues over Expenditures	-	(58,120)	-	58,120
OTHER FINANCING SOURCES (USES)				
Designated cash	-	(1,880)	-	1,880
Transfers in	-	60,000	60,000	-
Transfers out	-	-	(37,626)	(37,626)
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	58,120	22,374	(35,746)
Net Change in Cash Balances	$ -	$ -	22,374	$ 22,374
Cash Balances, Beginning of Year			-	
Cash Balances, End of Year			$ 22,374	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 22,374	
Adjustments to revenues			(60,000)	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (37,626)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
AUCTION PROCEEDS CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Designated cash	-	54,956	-	(54,956)
Transfers in	-	-	-	-
Transfers out	-	(54,956)	(54,956)	-
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	-	-	(54,956)	(54,956)
Net Change in Cash Balances	$ -	$ -	(54,956)	$ (54,956)
Cash Balances, Beginning of Year			54,956	
Cash Balances, End of Year			$ -	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ (54,956)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net Change in Fund Balances (GAAP Basis)			$ (54,956)	

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

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RJU ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services	$ 4,431,165	$ 5,431,165	$ 4,705,992	$ (725,173)
Miscellaneous	653,684	13,000	404,026	391,026
Total Revenues	5,084,849	5,444,165	5,110,018	(334,147)
EXPENSES				
Current:				
Personnel services	1,999,824	2,049,582	1,902,017	147,565
Materials and supplies	357,358	609,947	558,082	51,865
Repairs and maintenance	601,400	705,081	510,276	194,805
Utilities	518,652	544,452	521,815	22,637
Contractual services	1,355,623	1,839,453	1,516,678	322,775
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	1,824,658	1,948,682	1,627,233	321,449
Total Expenditures	6,657,515	7,697,197	6,636,101	1,061,096
Excess (Deficiency) of Revenues over Expenses	(1,572,666)	(2,253,032)	(1,526,083)	726,949
OTHER FINANCING SOURCES (USES)				
Designated cash	(721,028)	876,797	-	(876,797)
Transfers in	585,877	-	1,182,699	1,182,699
Transfers out	(673,780)	(1,005,362)	(1,397,196)	(391,834)
Gross receipts taxes	2,492,000	2,492,000	2,556,594	64,594
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	137,874	137,874	137,874	-
Investment earnings	9,911	9,911	7,774	(2,137)
Refunding bonds issued	-	-	-	-
Debt service:				
Principal	(258,188)	(180,000)	(180,000)	-
Interest	-	(78,188)	(78,187)	(1)
Bond issuance costs	-	-	(1,403)	1,403
Net Other Financing Sources (Uses)	1,572,666	2,253,032	2,228,155	(22,073)
Net Change in Cash Balances	$ -	$ -	702,072	$ 704,876
Cash Balances, Beginning of Year			7,796,623	
Cash Balances, End of Year			$ 8,498,695	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 702,072	
Adjustments to revenues			(181,388)	
Adjustments to expenditures			1,721,023	
Net Change in Net Position (GAAP Basis)			$ 2,241,707	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
AIRPORT ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services	$ 1,290,200	$ 1,129,000	$ 968,922	$ (160,078)
Miscellaneous	510,850	195,350	300,538	105,188
Total Revenues	1,801,050	1,324,350	1,269,460	(54,890)
EXPENSES				
Current:				
Personnel services	488,564	517,714	504,699	13,015
Materials and supplies	926,100	823,244	1,236,414	(413,170)
Repairs and maintenance	122,900	120,516	118,458	2,058
Utilities	64,600	64,120	62,884	1,236
Contractual services	125,025	185,025	118,030	66,995
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	1,166,700	1,063,713	743,348	320,365
Total Expenditures	2,893,889	2,774,332	2,783,833	(9,501)
Excess (Deficiency) of Revenues over Expenses	(1,092,839)	(1,449,982)	(1,514,373)	(64,391)
OTHER FINANCING SOURCES (USES)				
Designated cash	(2,076)	416,920	-	(416,920)
Transfers in	565,305	565,305	556,699	(8,606)
Transfers out	(21,490)	-	-	-
Gross receipts taxes	-	-	-	-
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	551,100	467,757	467,757	-
Investment earnings	-	-	-	-
Refunding bonds issued	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	1,092,839	1,449,982	1,024,456	(425,526)
Net Change in Cash Balances	$ -	$ -	(489,917)	$ (489,917)
Cash Balances, Beginning of Year			833,075	
Cash Balances, End of Year			$ 343,158	

RECONCILIATION TO GAAP BASIS:

Net Change in Cash Balances	$ (489,917)
Adjustments to revenues	58,835
Adjustments to expenditures	916,658
Net Change in Net Position (GAAP Basis)	$ 485,576

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services	$ 2,765,392	$ 2,765,392	$ 2,874,564	$ 109,172
Miscellaneous	-	-	120,591	120,591
Total Revenues	2,765,392	2,765,392	2,995,155	229,763
EXPENSES				
Current:				
Personnel services	1,298,034	1,298,689	1,246,545	52,144
Materials and supplies	288,215	261,787	202,333	59,454
Repairs and maintenance	421,620	376,946	278,287	98,659
Utilities	48,800	76,420	66,562	9,858
Contractual services	676,680	703,507	866,265	(162,758)
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	2,733,349	2,717,349	2,659,992	57,357
Excess (Deficiency) of Revenues over Expenses	32,043	48,043	335,163	287,120
OTHER FINANCING SOURCES (USES)				
Designated cash	(62,059)	959,357	-	(959,357)
Transfers in	320,666	262,571	262,571	-
Transfers out	(342,984)	(315,445)	(306,383)	9,062
Gross receipts taxes	147,936	147,936	147,430	(506)
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	-	-
Investment earnings	-	-	-	-
Refunding bonds issued	-	-	-	-
Debt service:				
Principal	(95,602)	(1,090,402)	(193,580)	(896,822)
Interest	-	(12,060)	(6,249)	(5,811)
Bond issuance costs	-	-	(2,735)	2,735
Net Other Financing Sources (Uses)	(32,043)	(48,043)	(98,946)	(1,850,699)
Net Change in Cash Balances	$ -	$ -	236,217	$ (1,563,579)
Cash Balances, Beginning of Year			616,936	
Cash Balances, End of Year			$ 853,153	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 236,217	
Adjustments to revenues			(169,073)	
Adjustments to expenditures			(428,094)	
Net Change in Net Position (GAAP Basis)			$ (360,950)	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN CASH BALANCES - BUDGET AND ACTUAL
RWWTP ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Charges for services	$ 3,948,442	$ 3,948,442	$ 3,938,946	$ (9,496)
Miscellaneous	400,300	300	69,537	69,237
Total Revenues	4,348,742	3,948,742	4,008,483	59,741
EXPENSES				
Current:				
Personnel services	731,262	731,262	685,861	45,401
Materials and supplies	448,900	448,900	246,312	202,588
Repairs and maintenance	495,431	495,231	169,766	325,465
Utilities	603,000	603,000	489,449	113,551
Contractual services	832,820	833,020	665,844	167,176
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Capital outlay	350,000	350,000	161,701	188,299
Total Expenditures	3,461,413	3,461,413	2,418,933	1,042,480
Excess (Deficiency) of Revenues over Expenses	887,329	487,329	1,589,550	1,102,221
OTHER FINANCING SOURCES (USES)				
Designated cash	(83,859)	582,793	-	(582,793)
Transfers in	272,652	-	-	-
Transfers out	(668,750)	(668,750)	(315,794)	352,956
Gross receipts taxes	1,205,500	1,205,500	1,179,465	(26,035)
Intergovernmental:				-
Federal grants	-	-	-	-
State grants	-	-	290,000	290,000
Investment earnings	3,000	3,000	3,004	4
Refunding bonds issued	-	8,649,328	8,649,328	-
Debt service:				
Principal	(1,615,872)	(10,259,200)	(9,284,545)	(974,655)
Interest	-	-	(186,773)	186,773
Bond issuance costs	-	-	-	-
Net Other Financing Sources (Uses)	(887,329)	(487,329)	334,685	(753,750)
Net Change in Cash Balances	$ -	$ -	1,924,235	$ 348,471
Cash Balances, Beginning of Year			3,732,066	
Cash Balances, End of Year			$ 5,656,301	
RECONCILIATION TO GAAP BASIS:				
Net Change in Cash Balances			$ 1,924,235	
Adjustments to revenues			(92,071)	
Adjustments to expenditures			373,142	
Net Change in Net Position (GAAP Basis)			$ 2,205,306	

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

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NEW MEXICO STATE AUDITOR DISCLOSURES

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STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL
JUNE 30, 2014

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
WELLS FARGO, NEW MEXICO				
New General Operations	Checking	$ 7,246,482	$ (447,806)	$ 6,798,676
FEMA Fund	Checking	2,308,022	(216,293)	2,091,729
Village of Ruidoso	Savings	1,494,648	-	1,494,648
Bail Bond Trust Fund	Checking	2,402	-	2,402
Village of Ruidoso	CDs	2,927,602	-	2,927,602
Impact Fees	Checking	350,007	(7,974)	342,033
Muncipality of Ruidoso		14,329,163	$ (672,073)	$ 13,657,090
Less: FDIC coverage		250,000		
Uninsured Public Funds		14,079,163		
Less: Pledged collateral held by the pledging financial institution		(14,715,451)		
Over insured and over collateralized		$ (636,288)		
Collateral requirement - 50% of uninsured funds		$ 7,039,582		
Less: Pledged security		14,715,451		
Over Collateral Requirement		$ (7,675,869)		

Pledge Description	Maturity	CUSIP	Fair Market Value	Location of Safekeeper
FN AU4290 4.000%	09/01/2043	3138X3XU1	$ 1,434,485	Bank of New York Mellon, New York, NY
FN AB7819 3.000%	02/01/2043	31417EVM0	13,228,794	
FN MA0934 3.000%	11/01/2026	31418ABC1	52,172	
			$ 14,715,451	

WELLS FARGO BROKERAGE*				
General Operations	Money Market	$ 384	$ -	$ 384
General Operations	CDs	4,000,000	-	4,000,000
General Operations	Treasury Notes	1,501,502	-	1,501,502
Utility Fund	Money Market	289,229	-	289,229
Utility Fund	CD	500,015	-	500,015
Muncipality of Ruidoso		$ 6,291,130	$ -	$ 6,291,130
BANK OF ALBUQUERQUE - NMFA*				
Village of Ruidoso - Street Equipment Loan	Cash Deposit	$ 116,329	$ -	$ 116,329
Village of Ruidoso - Fire Truck Loan	Cash Deposit	50,198	-	50,198
Village of Ruidoso - Convention Center Loan	Cash Deposit	115,507	-	115,507
Village of Ruidoso - Police Building Loan	Cash Deposit	164,631	-	164,631
Muncipality of Ruidoso		$ 446,665	$ -	$ 446,665
NEW MEXICO STATE TREASURER*				
Village of Ruidoso	LGIP	$ 68,842	$ -	$ 68,842

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL
JUNE 30, 2014

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
FIRST NATIONAL BANK				
Village of Ruidoso	CD	$ 175,000	$ -	$ 175,000
Less: FDIC coverage		175,000		
Uninsured Public Funds		-		
Less: Pledged collateral held by the pledging financial institution		(486,005)		
Over insured and over collateralized		$ (486,005)		
Collateral requirement - 50% of uninsured funds		$ -		
Less: Pledged security		486,005		
Over Collateral Requirement		$ (486,005)		

Pledge Description	Maturity	CUSIP	Fair Market Value	Location of Safekeeper
Bernalillo NM Municipal School District	08/01/2020	085279NY9	$ 486,005	Federal Home Loan Bank, Dallas, TX

PIONEER BANK				
Village of Ruidoso	CDs	$ 2,131,445	$ -	$ 2,131,445
Less: FDIC coverage		250,000		
Uninsured Public Funds		1,881,445		
Less: Pledged collateral held by the pledging financial institution		(1,963,900)		
Over insured and over collateralized		$ (82,455)		
Collateral requirement - 50% of uninsured funds		$ 940,723		
Less: Pledged security		1,963,900		
Over Collateral Requirement		$ (1,023,177)		

Pledge Description	Maturity	CUSIP/ Security ID	Fair Market Value	Location of Safekeeper
GNMA II 7.000%	05/20/2030	080409	$ 163,750	Federal Home Loan Bank, Dallas, TX
GNMA 6.000%	12/20/2030	080477	23,796	
FHLMC 3-1 1.750%	07/01/2033	1b0951	31,701	
FHLB FIXED 1.550%	01/17/2020	313381T88	289,863	
FNMA ARM 5.150%	09/01/2032	661745	11,077	
FNMA 2.215%	04/01/2033	661759	132,767	
FNMA 1.669%	11/01/2035	74513	472,399	
FNMA 2.125%	01/01/2034	759453	73,807	
FHLMC 2.223%	01/01/2033	780217	16,395	
FHLMC 2.230%	12/01/2033	781086	61,617	
FHLMC 2.250%	07/01/2034	781721	374,182	
FHLMC 2.237%	11/01/2034	782804	50,190	
FHLMC 2.227%	01/01/2035	782928	21,480	
FHLMC 2.250%	09/01/2032	789868	38,541	
FNMA 1.776%	01/01/2035	805152	50,693	
FNMA 3.000%	10/01/2026	AJ1622	151,642	
			$ 1,963,900	

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL
JUNE 30, 2014

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
CITY BANK				
Village of Ruidoso	CDs	$ 850,004	$ -	$ 850,004
Less: FDIC coverage		250,000		
Uninsured Public Funds		600,004		
Less: Pledged collateral held by the pledging financial institution		(1,099,246)		
Over insured and over collateralized		$ (499,242)		
Collateral requirement - 50% of uninsured funds		$ 300,002		
Less: Pledged security		1,099,246		
Over Collateral Requirement		$ (799,244)		

Pledge Description	Maturity	CUSIP	Fair Market Value	Location of Safekeeper
Bloomfield NM Municipal School District	09/01/2017	094077KL7	$ 548,549	
FNMA Call 10/18/16	10/18/2021	31359MZ22	550,697	
			$ 1,099,246	

TOTAL FINANCIAL INSTITUTIONS				
Village of Ruidoso	Checking	$ 9,906,913	$ (672,073)	$ 9,234,840
Village of Ruidoso	Savings	1,494,648	-	1,494,648
Village of Ruidoso	CDs	10,584,066	-	10,584,066
Village of Ruidoso	Money Market	289,613	-	289,613
Village of Ruidoso	Treasury Notes	1,501,502	-	1,501,502
Village of Ruidoso	Cash Deposit	446,665	-	446,665
Village of Ruidoso	LGIP	68,842	-	68,842
Muncipality of Ruidoso		24,292,249	$ (672,073)	$ 23,620,176
Less: Wells Fargo Brokerage		6,291,130		
Less: NMFA		446,665		
Less: NM State Treasurer		68,842		
		17,485,612		
Less: FDIC coverage		925,000		
Uninsured Public Funds		16,560,612		
Less: Pledged collateral held by the pledging financial institution		(18,264,602)		
Over insured and over collateralized		$ (1,703,990)		
Collateral requirement - 50% of uninsured funds		$ 8,280,306		
Less: Pledged security		18,264,602		
Over Collateral Requirement		$ (9,984,296)		

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
JUNE 30, 2014

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

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

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

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SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S REPORT OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER FINANCIAL MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village Council
Village of Ruidoso
and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Village of Ruidoso (the Village) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Village, presented as supplemental information, and have issued our report thereon dated November 25, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and questioned costs,* we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *schedule of findings and questioned costs* to be a material weakness 2013-003 (2013-3).

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. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 questioned costs* as items 2005-007 (2005-07), 2013-001 (2013-01), and 2014-001.

The Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The Village's responses were not subjected to the 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Axiom

Axiom CPAs and Business Advisors, LLC
November 25, 2014

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

To the Village Council
Village of Ruidoso and
And
Mr. Hector H. Balderas
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Village of Ruidoso's (the Village) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2014. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

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

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

Axiom

Axiom CPAs and Business Advisors LLC
Albuquerque, New Mexico
November 25, 2014

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Federal CDFA Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through the State of New Mexico Homeland Security Department			
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1783-DR-NM	$ 2,003,663
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-4079-DR-NM	208,443
Total U.S. Department of Homeland Security			2,212,106
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE			
Passed through the State of New Mexico Energy, Minerals, and Natural Resources Department			
Cooperative Forestry Assistance	10.664	11-DG-11031600-039	119,249
Cooperative Forestry Assistance	10.664	13-DG-11031600-070	36,109
Total U.S. Department of Agriculture Forest Service			155,358
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed through the State of New Mexico Aging & Long-term Services Department			
Retired and Senior Volunteer Program	94.002	11SRWNM004	1,500
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION			
Passed through the State of New Mexico Department of Transportation			
Recreational Trails Program	20.219	SB-2009-NM-55493	21,255
U.S. DEPARTMENT OF JUSTICE OFFICE FOR VICTIMS OF CRIME			
Passed through the State of New Mexico Crime Victims Reparation Commission			
Crime Victim Assistance	16.575	2013-VA-GX-0070	6,250
Crime Victim Assistance	16.575	2012-VA-GX-0011	4,167
Crime Victim Assistance	16.575	2013-VA-GX-0000	20,833
Total U.S. Department of Justice Office for Victims of Crime			31,250
Total Expenditures of Federal Awards			$ 2,421,469

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

2. Subrecipients

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

Reconciliation of Schedule of Federal Expenditures to Financial Statements

Total federal awards expended per Schedule of Expenditures of Federal Awards	$ 2,421,469
Total expenditures funded by other sources	29,802,710
Total expenditures and expenses per page 15	$ 32,224,179

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

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? x Yes ____ No
- Significant deficiency identified that are not considered to be material weakness(es)? ____ Yes x None Reported

Non-compliance material to financial statements noted? ____ Yes x No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes x No
- Significant deficiency identified that are not considered to be material weakness(es) ____ Yes x None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ____ Yes x No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
97.036	FEMA – Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs $ 300,000

Auditee qualified as low-risk auditee? ____ Yes x No

B. FINANCIAL STATEMENT FINDINGS

2005-007 Regional Wastewater Treatment Plant (Other Matter)-repeated

CONDITION: The Village of Ruidoso and the Village of Ruidoso Downs have entered into a joint powers agreement to create a separate entity to operate a Regional Wastewater Treatment Plant (RWWTP). The agreement was executed on July 3, 1974. A board that is composed of members of each government governs the RWWTP. The Village performs all administrative functions for the RWWTP including all accounting functions. Each government contributes funds to maintain and operate the facility. The Village has created a separate fund within their general ledger to account for all revenues and expenditures. The cash belonging to the RWWTP is pooled with the Village's other cash. All costs and expenses related to the payroll function are charged to the RWWTP fund; however, the employees who provide services for the RWWTP have been treated as a department of the Village. The intention of the agreement was to create a separate entity; however the Village has not treated the RWWTP as a separate entity, rather the RWWTP has been treated as a department of the Village.

CRITERIA: The RWWTP was created with authority of the Joint Powers Agreement Act as defined in New Mexico State Statutes. According to Section 11-1-5B NMSA 1978, the administering agency under any such agreement shall be considered under the provision of this Joint Powers Agreements Act (11-1-1 to 11-1-7 NMSA 1978) as an entity separate from the parties to such agreement.

EFFECT: By treating the RWWTP as a department rather than a separate legal entity, the Village has misreported financial information to various other governments. For example, the payroll reports reported to the Internal Revenue Service contain the wages of employees who provided services to the RWWTP. All payroll activity has been reported to the Internal Revenue Service, New Mexico Taxation and Revenue Department, and the New Mexico Public Employee Retirement Association as activity belonging to the Village. The employees have accrued vacation and sick leave based on the policies established by the Village rather than the RWWTP.

CAUSE: In order to streamline operations, prior Village administrations and the current Village administration has accounted for the RWWTP as a department rather than as a separate entity.

RECOMMENDATION: We recommend that the RWWTP be dissolved as a separate entity and be treated as an enterprise fund of the Village.

VILLAGE RESPONSE AND PLANNED CORRECTIVE ACTION PLAN: The Village of Ruidoso and the City of Ruidoso Downs are continuing to meet to discuss how to reorganize the Joint Use Board as a result of this and previous audit findings. Both entities are now working out the logistics of establishing a governing unit for the RWWTP as a result of a mediated process that was required by court order. The mediation resulted in a final order from Judge Parsons that requires that the Village of Ruidoso and the City of Ruidoso Dows vigorously explore a way to put in place an ownership, operational service model, such as a Water and Sanitation District.

2013-001 Internal Controls over Disbursements (Other Matters) – Revised and Repeated

CONDITION: Through the course of the current year audit pertaining to the cash disbursements transaction control cycle we noted in 1 out of 40 disbursements tested, the disbursement was greater than $5,000 and did not have evidence that three written quotes were attained as per Village Policy. This was an emergency purchase but the requirement that written documentation justifying the purchase was not completed.

CRITERIA: Appropriate business practice requires that all records related to processing of transactions with public monies be stored and available upon request. The Village policies require that at least three written quotes need to be obtained for any disbursement over $5,000 and when emergency situations arise, written documentation must be completed and subsequently approved to document the circumstances related to the emergency.

EFFECT: Lack of documentation related to disbursements raises risk for improper use of public monies or increases risk for erroneously processed transactions. Additionally, the Village might not have received the best pricing for the expenditure over $5,000.

CAUSE: Departments did not ensure that the Village's policy and procedures were being followed.

RECOMMENDATION: It is recommended that the Village evaluate its current procedures related to documentation retention and ensure that it is compliant will all applicable laws, regulations and internal Village policy. Additionally, the Village needs to ensure that it completes the required documentation to support emergency purchases.

VILLAGE RESPONSE AND PLANNED CORRECTIVE ACTION PLAN: The Village has trained staff in each department on current procurement policies and will continue to train new employees in the future.

2013-003 Administrative Rights - IT (Material Weakness)

CONDITION: During our testing of the controls relating to information technology (IT), we noted the accounting software has the ability to give administrative rights to individuals which allows them the rights to change passwords and have unlimited access to process all transactions. We noted that certain individuals with general ledger responsibilities had administrative rights.

CRITERIA: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Furthermore, adequate segregation of duties shall be considered for all control implementations in that no single individual has authority to initiate or conduct a transaction, process and record transactions, and maintain custody of an asset.

EFFECT: Access to processing transactions and having administrative rights is considered a segregation of duties violation as it is gives an individual the ability to circumvent controls set up in the accounting software and causes risk for the Village and payment to fictitious disbursements.

CAUSE: The administrative rights were given to individuals that have responsibilities of processing transactions.

RECOMMENDATION: It is recommended that the Village establish a policy that requires any individual that has administrative rights not be able to process or approve transactions and does not have custody of any assets.

VILLAGE RESPONSE AND PLANNED CORRECTIVE ACTION PLAN: This finding was identified in 2013 and immediately corrected where administrative privileges were removed. During fiscal year 2014, because the Village was understaffed, the responsibilities of payroll and accounts payable were temporarily reassigned to the H.R. Director and Asst. Finance Director. The Village's IT department had to restore administrative rights in order for payroll and accounts payable to be processed correctly with the directive by Management to rectify the inefficiencies in the Incode computer system to ensure adequate internal controls without impacting the day to day functions (payroll and accounts payable). Management and Finance staff were not aware that IT had not rectified the problem until the auditors brought to our attention this year. As soon as the issue was brought to the Village's attention, the administrative rights were immediately removed from the HR Director and Assistant Finance Director and Finance took the initiative to contact Incode to resolve the conflicting administrative privileges. Also at this time, the Deputy Village Manager was assigned these rights and removed from all modules as a user. Village Management and Finance do not feel there was at risk of public funds because paper copies of the budget reports were monitored by the Deputy Village Manager weekly and the bi-weekly payrolls reports were also reviewed and signed off before each payroll was completed.

2014-001 Cash Receipts (Other Matters)

CONDITION: We noted at the Parks and Recreation Department that receipts were issued from loose receipts rather than a receipt book. We noted that one individual was responsible for receipting and depositing the cash, and that there were no mitigating controls to reconcile all receipts issued to being deposited.

CRITERIA: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Furthermore, adequate segregation of duties shall be considered for all control implementations in that no single individual has authority to initiate or conduct a transaction, process and record transactions, and maintain custody of an asset.

EFFECT: There is an increased risk for fraud or error to occur when there is no reconciliation of the cash receipts to the amounts being recorded in the general ledger.

CAUSE: The Village does not have a policy in place that requires the cash receipts to be reconciled to the general ledger for the Parks and Recreation Department.

RECOMMENDATION: It is recommended that the Village establish a policy that requiring a reconciliation of the cash receipts for the Parks and Recreation Department to the general ledger.

VILLAGE RESPONSE AND PLANNED CORRECTIVE ACTION PLAN: The Village has created a manual internal control system over cash receipts. Parks and Recreation are scheduled to be added to the Incode cashiering module in order to alleviate the need for loose receipts. All satellite locations (2 remaining) that take cash should be on the cashiering module by late 2015.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

STATE OF NEW MEXICO
VILLAGE OF RUIDOSO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2014

STATUS OF PRIOR YEAR FINDINGS

Description	Status
2005-7 Regional Wastewater Treatment Plant	Repeated as 2005-007
2012-1 Travel and Per Diem	Resolved
2013-1 Internal Controls over Disbursements	Repeated and Revised as 2013-001
2013-2 Segregation of Duties in Payroll Disbursements	Resolved
2013-3 Administrative Rights - IT	Repeated as 2013-003
2013-4 Prior Period and Current Period Adjustments	Resolved
2013-5 Expenditures in Excess of Budget	Resolved
2013-6 Late Submission of Data Collection Form	Resolved

Section IV – Other Disclosures

Exit Conference

The contents of this report were discussed on November 25, 2014. The following individuals were in attendance.

VILLAGE OF RUIDOSO
Joe Eby, Councilor
Debi Lee, Village Manager
Ron Sena, Deputy Village Manager
Judi Starkovich, CPA, Finance Director
Karen Gutierrez, Assistant Finance Director
Tom Rigsby, Member Internal Finance Committee

AXIOM, CPAS
Chris Garner, CPA, Partner

Prepared Financial Statements

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