

# RUIDOSO

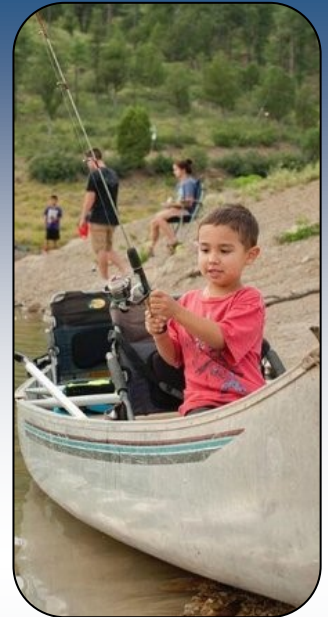
NEW MEXICO

LIVING IN NATURE'S PLAYGROUND

VILLAGE OF



RUIDOSO



## ANNUAL AUDIT REPORT

For the Year Ending  
June 30, 2020

*This page is intentionally blank.*

# **STATE OF NEW MEXICO VILLAGE OF RUIDOSO**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

Prepared by:  
Judi M. Starkovich, CPA  
Finance Director

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
LIST OF ELECTED AND APPOINTED OFFICIALS .....	1
ORGANIZATIONAL CHART.....	2
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	3-5
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	6-17
<b>BASIC FINANCIAL STATEMENTS</b>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position .....	18
Statement of Activities.....	19
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds .....	20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures, and Changes in Cash Balances – Budget and Actual – General Fund .....	24
Statement of Net Position – Proprietary Funds .....	25-26
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	27
Statement of Cash Flows – Proprietary Funds .....	28
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	29
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Government-wide and Fund Financial Statements .....	30
B. Reporting Entity .....	30-31
C. Measurement Focus, Basis of Accounting, and Basis of Presentation .....	31-33
D. Budgetary Information .....	34
E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance .....	34-39
F. Estimates .....	39
G. Pensions.....	39
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 Statement of Net Position .....	40
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.....	40-41

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	
NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Violations of Legal or Contractual Provisions .....	41
B. Deficit Fund Equity .....	41
NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS	
A. Cash Deposits with Financial Institutions .....	42-43
B. Restricted Assets .....	43
C. Receivables .....	43-44
D. Internal Balances .....	44-45
E. Capital Assets .....	45-46
F. Long-term Liabilities .....	47-51
G. Leases .....	51
H. Fund Balance .....	51
NOTE 5. OTHER INFORMATION	
A. Risk Management .....	52
B. Contingent Liabilities .....	52
C. PERA Pension Plan .....	52-58
D. Post-Employment Benefits .....	58
E. Deferred Compensation .....	58
F. Concentrations .....	58
G. Other Significant Commitments .....	59
H. Tax Abatements .....	60
I. Asset Retirement Obligations .....	60
J. Subsequent Events .....	60
K. Recent Accounting Pronouncements .....	60
L. Future Accounting Pronouncements .....	61-62
M. COVID-19 .....	62
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
SCHEDULE OF THE VILLAGE’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY .....	63
SCHEDULE OF VILLAGE CONTRIBUTIONS – ALL DIVISIONS .....	64
SCHEDULE OF VILLAGE CONTRIBUTIONS – GENERAL DIVISION .....	65
SCHEDULE OF VILLAGE CONTRIBUTIONS – POLICE DIVISION .....	66
SCHEDULE OF VILLAGE CONTRIBUTIONS – FIRE DIVISION .....	67
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	68
<b>SUPPLEMENTARY INFORMATION</b>	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Nonmajor Governmental Funds – Special Revenue Fund Descriptions .....	69-70
Nonmajor Governmental Funds – Debt Service Fund Descriptions .....	70
Nonmajor Governmental Funds – Capital Project Fund Descriptions .....	70
Combining Balance Sheets – Nonmajor Governmental Funds .....	71-74
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	75-78
Nonmajor Proprietary Funds – Enterprise Fund Descriptions .....	79
Combining Statements of Net Position – Nonmajor Proprietary Funds .....	80-81
Combining Statements of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds .....	82
Combining Statements of Cash Flows – Nonmajor Proprietary Funds .....	83
Fiduciary (Agency) Fund Descriptions .....	84
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds .....	85

TABLE OF CONTENTS

	<u>PAGE</u>
<b>NEW MEXICO STATE AUDITOR DISCLOSURES</b>	
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL.....	86-87
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING.....	88-89
<b>COMPLIANCE SECTION</b>	
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	90-91
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE .....	92-93
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	94
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	95-96
REQUIRED DISCLOSURE.....	97

## INTRODUCTORY SECTION

*This page is intentionally blank.*



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
LIST OF ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2020

ELECTED OFFICIALS

MAYOR	LYNN D. CRAWFORD
MAYOR PRO TEM	RAFAEL "RIFLE" SALAS
COUNCILOR	JOE EBY
COUNCILOR	JOHN CORNELIUS
COUNCILOR	TIM COUGHLIN
COUNCILOR	GARY JACKSON
COUNCILOR	SUSAN LUTTERMAN

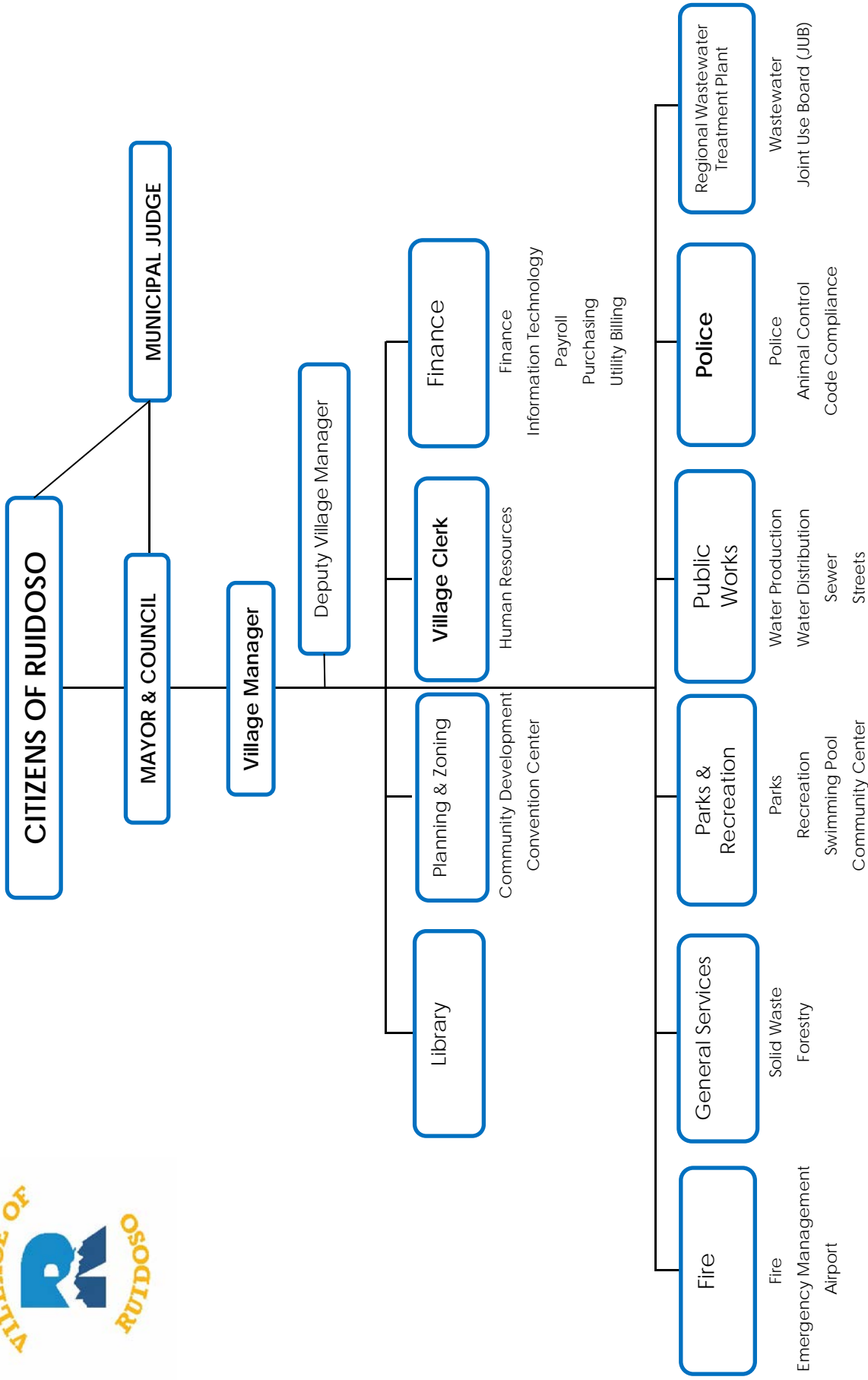
APPOINTED OFFICIALS

VILLAGE MANAGER	TIMOTHY DODGE
VILLAGE CLERK	IRMA DEVINE
POLICE CHIEF	DARREN HOOKER

OTHER OFFICIALS

FINANCE DIRECTOR	JUDI STARKOVICH
ASST. FINANCE DIRECTOR	KAREN GUTIERREZ

*This page is intentionally blank.*



**ELECTED OFFICIALS**  
**Appointed Officials**  
 Department Heads

*This page is intentionally blank.*

**FINANCIAL SECTION**



---

## INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.  
New Mexico State Auditor  
and  
The Village Council  
Village of Ruidoso, New Mexico

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Village of Ruidoso ("Village") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***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 Village'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

---

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque



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, 2020, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-17, the schedule of the Village's proportionate share of the net pension liability, the schedule of Village's contributions, the schedule of the Village's proportionate share of the OPEB liability, and the schedule of Village's contributions on pages 63-67 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 that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund financial statements 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 as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other schedules required by 2.2.2 NMAC as noted in the table of contents are also 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 2.2.2 NMAC as noted in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the other schedules required by 2.2.2 NMAC as noted in the table of contents, are fairly stated, in all material respects, in related to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 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 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.

*Pattillo, Brown & Hill, LLP*

Pattillo, Brown & Hill, L.L.P.  
Albuquerque, New Mexico  
December 14, 2020





Mayor Lynn D. Crawford  
Councillors Rafael Salas  
Joe Eby  
John Cornelius  
Tim Coughlin  
Gary Jackson  
Susan Lutterman  
Manager Timothy Dodge

313 Cree Meadows, Ruidoso NM 88345

575/258-4343

[www.ruidoso-nm.gov](http://www.ruidoso-nm.gov)

## 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, 2020. 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 \$98,383,980 (*net position*). However, the Village is reporting a deficit unrestricted net position, usually used to meet the government's ongoing obligations to citizens and creditors, of \$4,529,476, due to the net pension obligation and deferred revenue amounts.
- The Village's total net position increased \$14,871,096, which is a \$7,129,416 increase as compared to the prior year.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$23,406,321, an increase of \$6,833,086 in comparison with the prior year. Approximately 41.7% of this amount \$9,750,856 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 \$12,234,813, or approximately 92.9% of total general fund expenditures.
- Deferred outflows of resources of \$4,267,289 related to employer contributions subsequent to June 30, 2019, deferred inflows of resources of \$811,460, and a net pension liability of \$22,641,329 related to the Village's proportionate share of the Public Employees Retirement Association (PERA), a multiple employer cost sharing defined benefit pension plan at June 30, 2020.
- Deferred inflows of resources include unearned revenues of \$22,641,329 mainly from grants from the Federal Emergency Management Agency (FEMA) for the sewer line rehabilitation project and bridge replacements (\$22,304,845).

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The government-wide financial statements can be found on pages 18 - 19 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 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 nineteen (19) 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, the General Obligation (GO) Bond Debt Service Fund, and the FEMA Capital Project Fund, which are considered to be major funds. Data from the other sixteen (16) 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 20 - 24 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for RJU, 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 25 - 28 of this report.

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

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

The fiduciary fund financial statements can be found on page 29 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 30 - 61 of this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,383,980 at the close of the most recent fiscal year.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
<b>ASSETS</b>						
Current and other assets	\$ 47,679	\$ 44,128	\$ 29,920	\$ 24,746	\$ 77,599	\$ 68,874
Capital assets	<u>40,927</u>	<u>36,840</u>	<u>45,684</u>	<u>44,588</u>	<u>86,611</u>	<u>81,428</u>
Total Assets	<u>88,606</u>	<u>80,968</u>	<u>75,604</u>	<u>69,334</u>	<u>164,210</u>	<u>150,302</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,159</u>	<u>4,555</u>	<u>1,120</u>	<u>1,579</u>	<u>4,279</u>	<u>6,134</u>
<b>LIABILITIES</b>						
Other liabilities	23,950	27,264	1,150	999	25,100	28,263
Long-term liabilities outstanding	9,898	9,640	11,585	12,375	21,483	22,015
Net pension liability	<u>17,813</u>	<u>16,333</u>	<u>4,897</u>	<u>4,941</u>	<u>22,710</u>	<u>21,274</u>
Total Liabilities	<u>51,661</u>	<u>53,237</u>	<u>17,632</u>	<u>18,315</u>	<u>69,293</u>	<u>71,552</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>721</u>	<u>1,174</u>	<u>91</u>	<u>199</u>	<u>812</u>	<u>1,373</u>

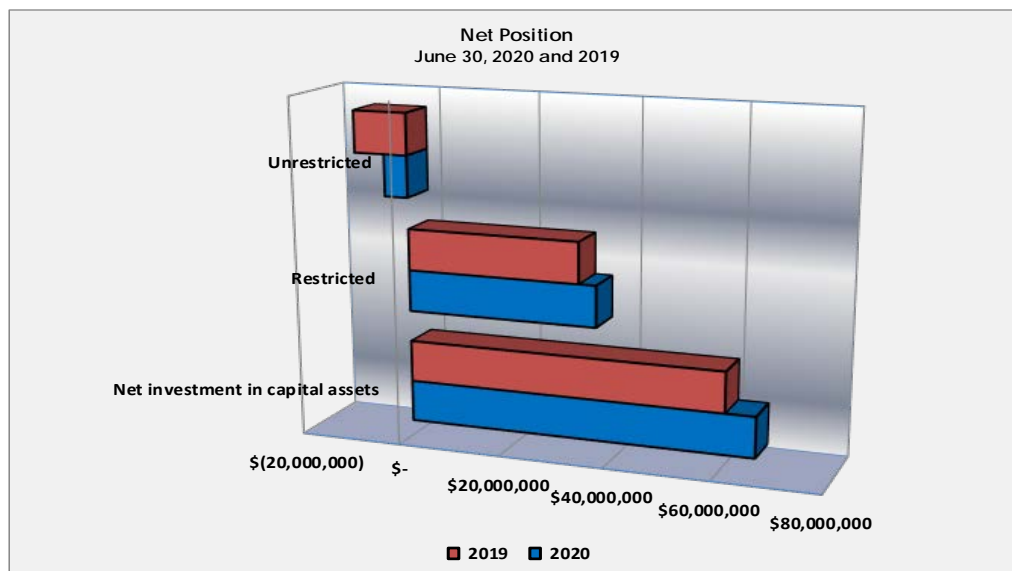
NET POSITION	Governmental Activities		Business-type Activities		Total Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Net investment in capital assets	31,825	28,041	34,584	32,683	66,409	60,724
Restricted	25,791	26,465	10,714	7,593	36,505	34,058
Unrestricted (deficits)	(18,233)	(23,393)	13,703	12,124	(4,530)	(11,269)
Total Net Position	\$ 39,383	\$ 31,113	\$ 59,001	\$ 52,400	\$ 98,384	\$ 83,513

By far, the largest portion of the Village's net position 67.5% (\$66,409,100) 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 \$36,504,356 (37.1%) represents resources that are subject to external restrictions on how they may be used. The remaining negative balance of \$4,529,476 (-4.6%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. The negative balance is primarily caused by the increase in restricted net position due to the advance payment of federal disaster grant funds for capital projects that may not be completed until FY 2022.

At the end of the current fiscal year, the Village can report positive balances in all reported categories of net position except for the unrestricted category for governmental activities (\$18,233,001), which is attributed to the advance of Federal Emergency Management Agency (FEMA) funding for the Sewer Line Rehabilitation Construction Project. In FY 2017, the Village received \$22,633,023 to finish design and construct the project and received the remaining balance of both Federal and State advances (\$3,946,924) in FY 2020. Design was completed in December 2018 and broken into three (3) phases: restoration of existing manholes and sewer lines, lift stations and forced mains, and hazard mitigation. Due to FEMA review and increased difficulty in easement acquisition and permitting, the Village has decided to update survey work that will need to be incorporated to the design and therefore, pending FEMA approval of design, construction has been estimated to begin in November 2020.

In the prior year, the Village reported the only negative net position in the unrestricted category which was also attributed to advance of the FEMA funds. All categories of net position for business-type activities reported positive balances in both fiscal years.



The Village's overall net position increased \$14,871,096 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,961	\$ 2,188	\$ 14,292	\$ 14,957	\$ 16,253	\$ 17,145
Operating grants and contributions	2,615	936	10	10	2,625	946
Capital grants and contributions	7,995	3,103	85	-	8,080	3,103
General revenues:						
Property taxes	3,626	3,479	-	-	3,626	3,479
Other taxes	8,763	7,260	5,969	4,581	14,732	11,841
Grants and contributions not restricted to specific programs	5,060	3,804	-	-	5,060	3,804
Other	1,027	768	690	561	1,717	1,329
Total Revenues	<u>31,047</u>	<u>21,538</u>	<u>21,046</u>	<u>20,109</u>	<u>52,093</u>	<u>41,647</u>
<b>EXPENSES</b>						
General government	8,491	6,655	-	-	8,491	6,655
Public safety	6,409	6,063	-	-	6,409	6,063
Public works	4,185	3,160	-	-	4,185	3,160
Culture and recreation	3,565	3,351	-	-	3,565	3,351
Health and welfare	202	213	-	-	202	213
Interest on long-term debt	279	270	-	-	279	270
Water and sewer	-	-	5,656	6,169	5,656	6,169
Solid waste	-	-	3,762	3,505	3,762	3,505
Wastewater	-	-	3,338	3,255	3,338	3,255
Airport	-	-	1,320	1,264	1,320	1,264
Radio Station	-	-	15	-	15	-
Total Expenses	<u>23,131</u>	<u>19,712</u>	<u>14,091</u>	<u>14,193</u>	<u>37,222</u>	<u>33,905</u>
Increase (decrease) in net position before transfers	7,916	1,826	6,955	5,916	14,871	7,742
Transfers	354	936	(354)	(936)	-	-
Increase (decrease) in net position	8,270	2,762	6,601	4,980	14,871	7,742
Net Position, Beginning of Year	<u>31,113</u>	<u>28,351</u>	<u>52,400</u>	<u>47,420</u>	<u>83,513</u>	<u>75,771</u>
Net Position, End of Year	<u>\$ 39,383</u>	<u>\$ 31,113</u>	<u>\$ 59,001</u>	<u>\$ 52,400</u>	<u>\$ 98,384</u>	<u>\$ 83,513</u>

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$8,269,549 from the prior fiscal year for an ending balance of \$39,382,647. Prior fiscal year resulted in an increase in net position of \$2,761,720. The change between fiscal years totals \$5,507,829 and is attributed to two (2) main areas: grants and contributions and taxes.

In July 2019, the Village submitted an invoice to New Mexico Department Homeland Security and Emergency Management (NMDHSEM) for the remaining balance of the federal and state shares of the sewer line project. The \$3,946,924 was received in November 2019. During this time, the Village progressed on two (2) FEMA projects: the sewer line and the replacement of Close Road Bridge. Design and review, bridge replacement, and slip lining of the sewer line began and expenditures of \$4,823,849 were incurred and offset against FEMA advances received. Upon completion of these projects, scheduled sometime late in FY 2022, the Village will have six (6) bridge replacements left to complete before Disaster 1783 can be closed out with FEMA.

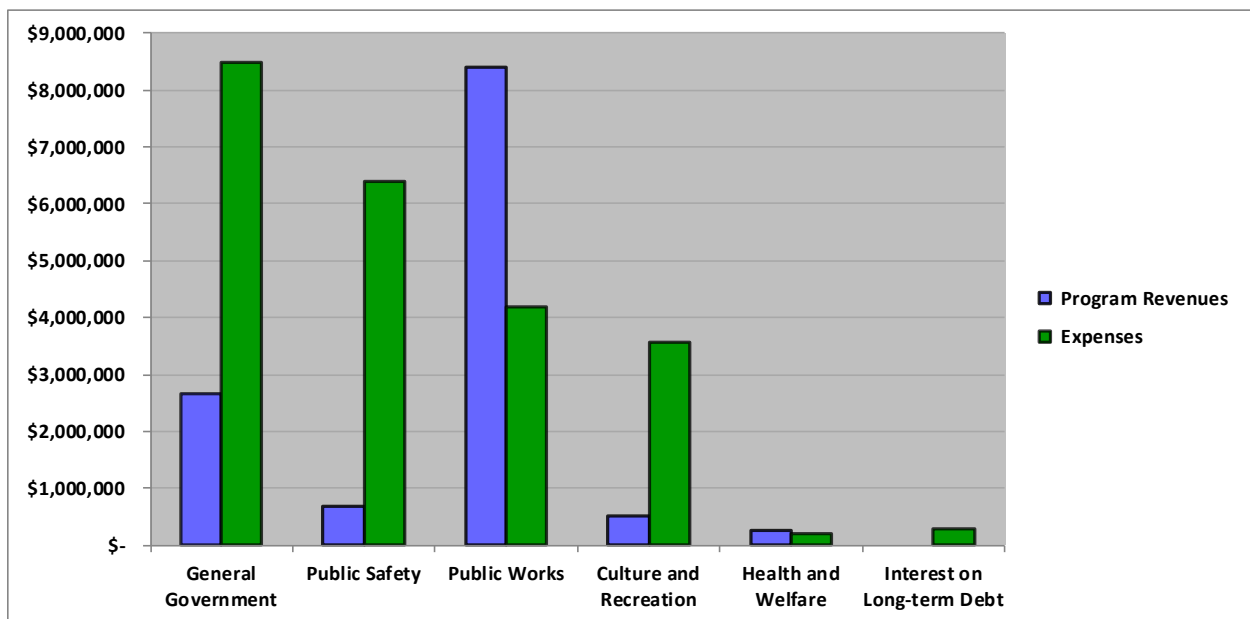
With the onset of the COVID-19 pandemic beginning in March 2020, the Village began identifying expenditures incurred with the purchase of personal protective equipment (PPE), telecommuting hardware and software for employees, and any other supplies needed to protect employees and constituents. In this time Ruidoso Safe was formed, whose function was to educate the public about wearing masks, washing hands, and social distancing to decrease the spread of COVID-19. As Ruidoso is a tourist community, many visitors were not aware of the Governor’s public health orders. In August 2020, the Village was awarded a CARES Act grant in the amount of \$2,787,792. At the end of FY 2020, the Village had incurred \$1,107,123 in invoices and salaries. However, these expenditures will not appear on the Schedule of Expenditures of Federal Awards (SEFA).

In addition to these grants, the Village received receipts for design on three (3) trail grants (Cree Meadows, Moon Mountain, and the Links) from New Mexico Department of Transportation, receipts totaling \$104,125 and a legislative appropriation for the replacement of the HVAC system and other improvements at our Senior Center, \$235,893.

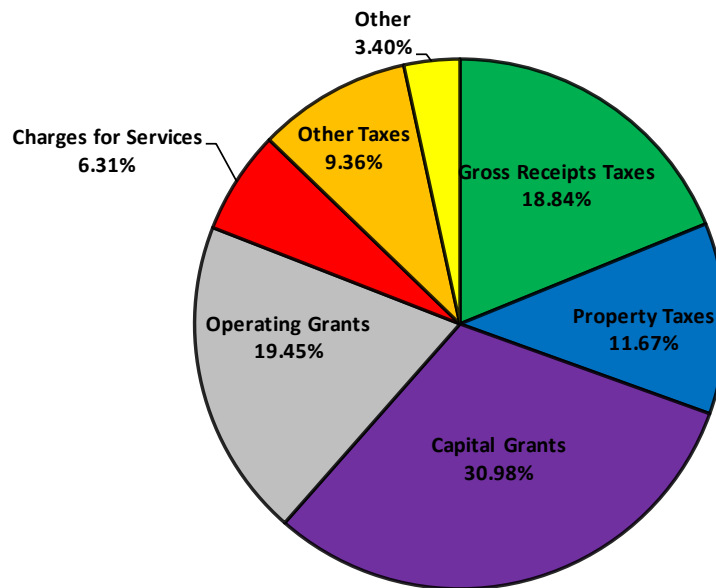
In September 2019, the Village received a payback (36 month look back period) of GRT from New Mexico Taxation and Revenue (NMTR). A local grocer had reported food sales as a tax deduction instead of as Hold Harmless receipts. In New Mexico, food sales are not taxable, however the state disburses GRT as if the sales were taxable to municipalities with a population of less than 10,000. Although NMTR will not supply exact numbers concerning the payback, the Village estimated the distribution amount to be around \$2,046,312. However, it should be noted that when the payback is back out of FY 2020 GRT distributions, taxes increased 14.79% over the prior year (FY 2019). Therefore, the combination of both the payback and growth contributed to \$2,758,083 in added revenues. This growth has fallen in FY 2021 due to COVID-19.

The decreased change in net transfers of \$581,208 was mainly caused by the increase of capital assets transferred from the General Obligation (GO) Capital Project fund to the RJU water infrastructure system \$621,877. Village residents voted in March 2020 to pay additional ad valorem (property) taxes to issue \$3,000,000 in GO bonds for water infrastructure within a two (2) year election cycle and the mill levy to fund these bonds is set at 1.5 mils. In addition, administrative fees to the General Fund by Enterprise Funds increased by \$181,897 due to added service charges, GRT taxes, and interest income generated.

**PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES**



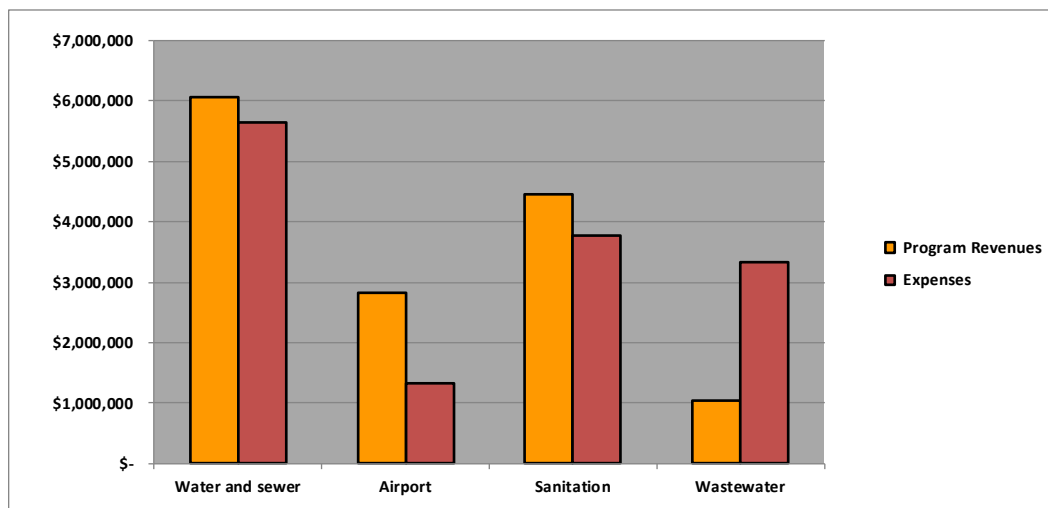
## GENERAL REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



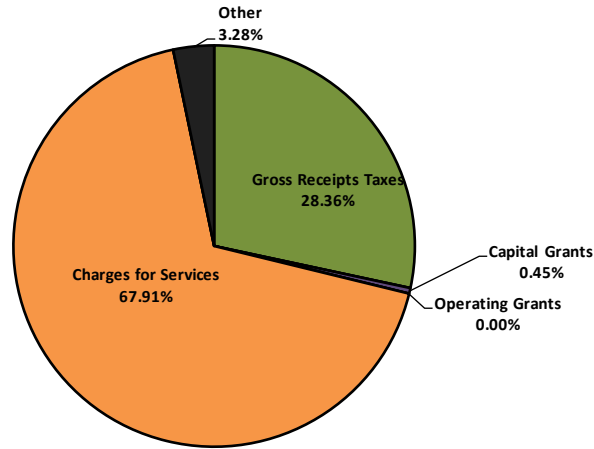
**Business-type Activities.** During the current fiscal year, net position for business-type activities increased \$6,601,547 for an ending balance of \$59,001,333. When comparing both fiscal years, which reported increases in net position, the current year increased \$1,621,587 (prior year increase in net position \$4,979,960). The main reason for the decrease was the completion of the Airport's runway overlay project that was funded by both Federal and State Federal Aviation Agency (FAA) grants totaling \$2,602,839. Other revenue sources increased but not enough to offset this loss.

Environment and Supplemental GRT were also impacted by the NMTR payback and increased growth in the economy, which amounted to an increase of \$1,387,879. Utility service charges decreased because of COVID-19. The reduced numbers of visitors to our area, reduced the amount of consumption of water. Sewer and wastewater rates are based on water consumption. This also had a huge dramatic impact on our jet fuel sales at the Airport. The overall reduction in service charges totaled \$663,838.

## PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



**GENERAL REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**

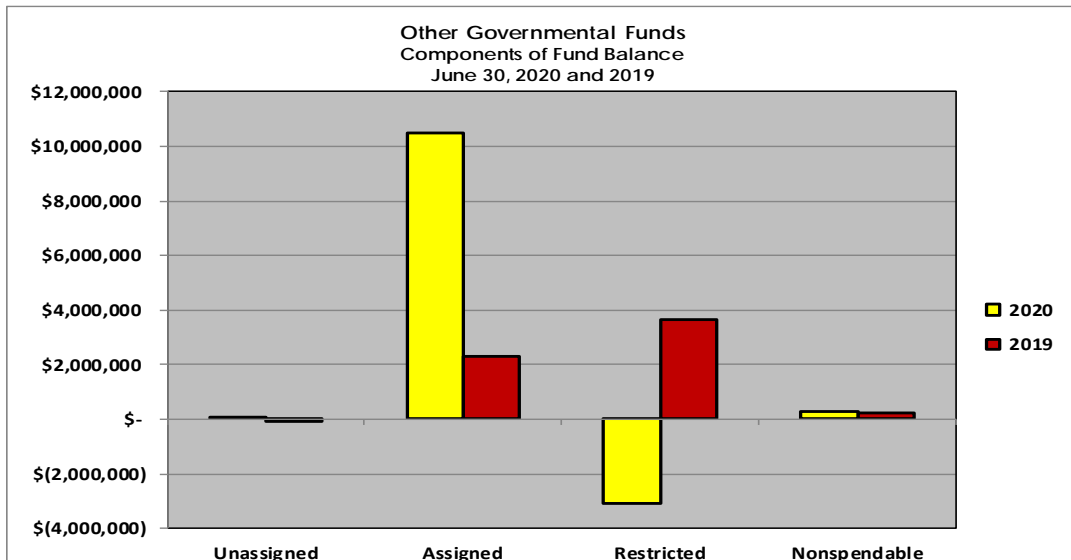


**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

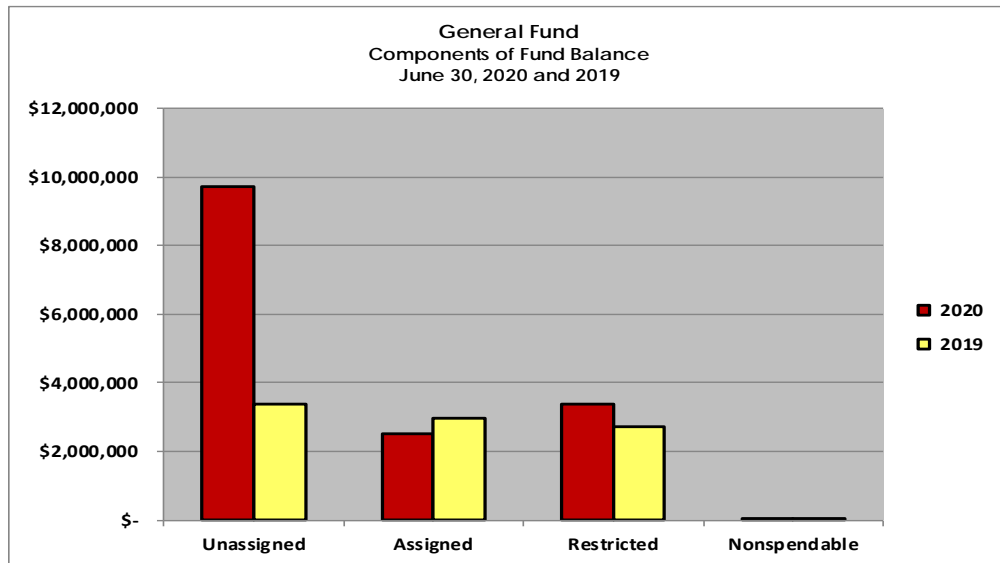
**Governmental Funds.** The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, *unassigned fund balance* may serve as a 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, 2020, the Village’s governmental funds reported combined fund balances of \$23,406,321, an increase of \$6,833,086 in comparison with the prior year. Approximately 10.9% of this amount, \$2,551,157 constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$325,385), 2) legally required to be maintained intact (\$3,702,159), 3) restricted for particular purposes (\$3,770,351), or 4) assigned for particular purposes (\$13,057,269).





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 \$9,721,763, while total fund balance increased to \$15,688,253. 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 73.9% of total general fund expenditures, while total fund balance represents approximately 119.2% of that same amount.



The fund balance of the Village's general fund increased \$4,919,773 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase between fiscal years (\$6,833,086) was due the collection of additional GRT and the receipt of CARES Act funding. The Federal Stimulus package increased construction projects within the area which increased not only GRT but building permits. The uncertainty of the duration of the pandemic caused departments to consciously keep expenditure levels under budget while still providing anticipated levels of services, this would hold true as we prepared the FY 2021 budget.

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

At the end of the year unrestricted net position of the following operations was \$13,703,525: RJU (water and sewer) totaled \$2,551,103, Solid Waste totaled \$276,315, RWWTP (wastewater) totaled \$10,771,854, Airport totaled \$99,143, and Radio Station totaled \$5,110. The total growth in net position for all five (5) funds was \$6,601,547 (RJU \$5,728,411, Solid Waste (\$257,831), RWWTP \$1,458,702, Airport (\$332,845), and Radio Station \$5,110). Total restricted net position reported a positive balance of \$10,713,848: RJU restricted net position was \$8,987,006, which is restricted for meter deposits and for cash and investments associated with Supplemental Gross Receipts Tax (SGRT), which is a tax that is restricted to water infrastructure projects and RWWTP reported a restricted in net position in the amount of \$1,726,842 that is associated with debt and equipment reserve funds. 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.** As a rule of thumb, revenues are budgeted somewhat flat, so a modest two percent (3%) growth rate in revenues, based on a five-year trend, was included in the original budget. As GRT increased through the fiscal year, the Village conservatively increased these revenues by \$924,319, which was about half of the true increase. These taxes also increased in Enterprise Funds which in turn increased Administrative fees, which are calculated as five percent (5%) of revenues, thereby increasing transfers into the General Fund by \$344,351. In addition, revenue increased due to the rollover from the prior year of the Economic Development Agency's (EDA) Main Road Bridge Replacement grant of \$214,006 and the inclusion of the Legislative Appropriation for the remodel of the Horton Building of \$500,000.

Since the Village budget is due to the State of New Mexico's Department of Finance and Administration (DFA) by June 1<sup>st</sup>, year-end rollovers of grants and/or capital projects are not reflected in the Original Budget. These budget changes are included in the first budget adjustment of the subsequent fiscal year and increased expenditures by \$6,714,384 (capital projects) and one-time expenditures of budget cash balance increased by \$897,153 and included of two (2) tracts of land totaling \$710,00, which will be developed in future years. In addition, awarded grants and additional GRT revenue, mentioned above, increased expenditures.

**Final Budget compared to Actual Results.** General Fund actual revenues increased over final budget by \$1,097,078. However, the most significant difference between estimated revenues and actual revenues was in Gross Receipts Taxes and Intergovernmental – State Grants. The main reason attributed to the increase was from the collection of GRT taxes (up 14.8%) from both STR rentals and the additional tourist activity that has been recently experienced with the addition of the recreational activities at Grindstone Lake. Many of our facilities also saw increases in overall services charges our Planning and Zoning Department, the Convention Center, and our Swimming Pool. However, as COVID-19 swept through the nation, our revenues started to fall around April and May 2020.

The budget savings in the expenditure area (\$8,114,706) were a combination of following. First, several vacant positions were not filled during the fiscal year, many employee retirement payouts did not materialize, saving \$838,682. Secondly, although General Fund revenues had been experiencing a seven percent (7%) growth rate over the last five (5) years, revenues were only budgeted at a five percent (5%), thereby reducing budgeted expenditures. Departmental budgets did not come close to budgeted amounts (savings of \$3,530,770). Lastly, several capital outlay projects were not completed during the fiscal year (savings of \$3,745,254) and had to be rolled over to fiscal year 2020.

## 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, 2020, amounts to \$66,409,100 (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 of \$5,182,625 in capital assets for the current fiscal year was approximately 6.4%. Capital assets net of depreciation totaled \$86,611,314.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Land	\$ 11,810	\$ 11,810	\$ 1,864	\$ 1,724	\$ 13,674	\$ 13,534
Construction in progress	9,607	5,465	3,918	2,445	13,525	7,910
Art	18	18	-	-	18	18
Infrastructure	11,736	11,376	35,228	34,920	46,964	46,296
Buildings and improvements	5,673	5,018	3,670	3,758	9,343	8,776
Machinery and equipment	1,005	1,574	405	793	1,410	2,367
Vehicles	<u>1,078</u>	<u>1,579</u>	<u>599</u>	<u>948</u>	<u>1,677</u>	<u>2,527</u>
	<u>\$ 40,927</u>	<u>\$ 36,840</u>	<u>\$ 45,684</u>	<u>\$ 44,588</u>	<u>\$ 86,611</u>	<u>\$ 81,428</u>

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

- Purchase of several pieces of heavy equipment and vehicles at a total cost of \$509,094.
- Completion of building and land improvements including the remodel of the bathrooms at the Convention Center (\$94,510), Fire Station #2 (\$625,228), and improvements at the Senior Center (\$235,893).
- Various projects related to water and sewer distribution systems improvements including sewer line extension \$101,603, Malone water line rehab \$213,531, water production improvement \$944,638, and Grindstone Lake improvements \$945,151.
- Partial completion of several system improvement and infrastructure projects that increased construction in progress by \$5,615,511, including the FEMA sewer line project \$1,850,571, FEMA bridges \$2,255,183, Country Club Tank replacement \$1,148,108, and purchase of the Wingfield House \$563,990.

Additional information on the Village's capital assets can be found on pages 45 - 46 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had a total bonded debt outstanding of \$18,965,000, which is backed by the full faith and credit of the Village. The remainder of the Village's long-term obligations is comprised of loans payable to NMFA and capital leases.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
General obligation bonds	\$ 4,770	\$ 3,985	\$ 3,155	\$ 3,505	\$ 7,925	\$ 7,490
Gross receipts tax revenue bonds	3,095	3,245	1,635	1,635	4,730	4,880
Revenue bonds	-	-	<u>6,310</u>	<u>6,765</u>	<u>6,310</u>	<u>6,765</u>
	7,865	7,230	11,100	11,905	18,965	19,135
Loans payable	1,237	1,384	-	-	1,237	1,384
Capital lease	-	<u>185</u>	-	-	-	<u>185</u>
	<u>\$ 9,102</u>	<u>\$ 8,799</u>	<u>\$ 11,100</u>	<u>\$ 11,905</u>	<u>\$ 20,202</u>	<u>\$ 20,704</u>

The Village's total debt decreased \$502,244 (2.4%) during the current fiscal year. The Village issued \$1,500,000 series of GO Bonds in November 2019. Proceeds are used to fund Water infrastructure projects. The revenue pledged is a 1.5 mill property tax that is renewable by the voters every two years. March 2022 is the next scheduled election to renew the levy. Principal payments totaled \$785,000.

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

State statutes limit the amount general obligation debt a governmental entity may issue to four percent (4%) of the average full valuation. The current debt limitation for the Village is \$22,729,740, which is significantly more than the Village's outstanding general obligation debt.

Additional information on the Village's long-term debt can be found on pages 47 - 51 of this report.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The current economic factors affecting the Village which were considered in developing the 2020-2021 fiscal year budget are as follows:

- Because of COVID-19, estimated revenues were budgeted based on a five-year trend excluding the GRT payback and cut by forty percent (40%). Additional reserve funds generated will be used to fund capital one-time purchases.
- Personnel costs were decreased due the freezing of all non-public safety positions. No performance or cost of living COLA) adjustments were included.
- Only a few requests for the purchase of machinery and equipment were included in the budget.
- Inflationary trends in the region compare favorably to national indices.
- Departmental operating budget were cut back ten percent (10%) of fiscal year 2018 levels.

During the current fiscal year, the assigned fund balance in the general fund was \$2,513,050. The Village has appropriated \$2,025,007 of this amount for spending in the 2020-2021 fiscal year. This action rolled over several projects that were not completed during the 2020 fiscal year. The remaining balance of \$488,043 represents purchases order opened in fiscal year 2020 but not paid until fiscal year 2021.

#### **REQUEST FOR INFORMATION**

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

## BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	PRIMARY GOVERNMENT		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,886,978	\$ 3,698,695	\$ 10,585,673
Investments	8,354,787	12,124,035	20,478,822
Restricted cash and investments	25,790,508	10,713,848	36,504,356
Receivables, net of allowance	6,321,262	1,524,079	7,845,341
Internal balances	-	-	-
Inventories	277,448	1,859,442	2,136,890
Prepaid expenses	47,937	527	48,464
Capital assets:			
Land	11,810,784	1,864,042	13,674,826
Construction in progress	9,607,203	3,918,419	13,525,622
Art	18,200	-	18,200
Infrastructure	40,169,476	41,699,032	81,868,508
Buildings and improvements	16,094,367	8,020,126	24,114,493
Machinery and equipment	4,602,924	2,460,891	7,063,815
Vehicles	6,423,893	6,252,814	12,676,707
Less: accumulated depreciation	<u>(47,799,493)</u>	<u>(18,531,364)</u>	<u>(66,330,857)</u>
Total Assets	<u>88,606,274</u>	<u>75,604,586</u>	<u>164,210,860</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Insurance on bond issue, net of amortization	11,914	-	11,914
Pension related	<u>3,146,945</u>	<u>1,120,344</u>	<u>4,267,289</u>
Total Deferred Outflows of Resources	<u>3,158,859</u>	<u>1,120,344</u>	<u>4,279,203</u>
<b>LIABILITIES</b>			
Accounts payable	1,096,649	522,134	1,618,783
Accrued liabilities	191,457	97,474	288,931
Deposits payable	10,000	354,118	364,118
Accrued interest	22,424	165,676	188,100
Unearned revenue	22,629,991	11,338	22,641,329
Noncurrent liabilities:			
Due within one year	991,210	1,103,773	2,094,983
Due in more than one year	8,907,164	10,480,883	19,388,047
Net pension obligation	<u>17,812,914</u>	<u>4,897,418</u>	<u>22,710,332</u>
Total Liabilities	<u>51,661,809</u>	<u>17,632,814</u>	<u>69,294,623</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	<u>720,677</u>	<u>90,783</u>	<u>811,460</u>
<b>NET POSITION</b>			
Net investment in capital assets	31,825,140	34,583,960	66,409,100
Restricted for:			
Debt service	788,538	1,899,240	2,687,778
Deposits	10,000	354,118	364,118
Restricted resources (See Note 4. B.)	24,991,970	8,460,490	33,452,460
Unrestricted (deficits)	<u>(18,233,001)</u>	<u>13,703,525</u>	<u>(4,529,476)</u>
Total Net Position	<u>\$ 39,382,647</u>	<u>\$ 59,001,333</u>	<u>\$ 98,383,980</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE)/REVENUE AND CHANGES IN NET POSITION		
	Expenses	Charges for Services	Operating	Capital	PRIMARY GOVERNMENT		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 8,491,306	\$ 1,451,070	\$ 1,219,790	\$ -	\$ (5,820,446)	\$ -	\$ (5,820,446)
Public safety	6,408,315	-	690,436	-	(5,717,879)	-	(5,717,879)
Public works	4,185,242	93,655	655,973	7,654,740	4,219,126	-	4,219,126
Culture and recreation	3,564,524	416,042	9,404	104,125	(3,034,953)	-	(3,034,953)
Health and welfare	202,087	-	39,224	235,893	73,030	-	73,030
Interest on long-term debt	279,337	-	-	-	(279,337)	-	(279,337)
Total Governmental Activities	<u>23,130,811</u>	<u>1,960,767</u>	<u>2,614,827</u>	<u>7,994,758</u>	<u>(10,560,459)</u>	<u>-</u>	<u>(10,560,459)</u>
Business-type activities:							
Water and sewer	5,655,721	6,061,211	-	-	-	405,490	405,490
Solid waste	3,762,448	2,826,289	-	-	-	(936,159)	(936,159)
Wastewater	3,338,394	4,462,185	-	-	-	1,123,791	1,123,791
Airport	1,319,529	943,027	10,000	85,061	-	(281,441)	(281,441)
Radio Station	14,890	-	-	-	-	(14,890)	(14,890)
Total Business-type Activities	<u>14,090,982</u>	<u>14,292,712</u>	<u>10,000</u>	<u>85,061</u>	<u>-</u>	<u>296,791</u>	<u>296,791</u>
Total Primary Government	<u>\$ 37,221,793</u>	<u>\$ 16,253,479</u>	<u>\$ 2,624,827</u>	<u>\$ 8,079,819</u>	<u>(10,560,459)</u>	<u>296,791</u>	<u>(10,263,668)</u>
GENERAL REVENUES:							
Property taxes, levied for general purposes					3,625,874	-	3,625,874
Gross receipts taxes					5,853,509	5,969,023	11,822,532
Franchise taxes					922,679	-	922,679
Public service taxes					1,986,523	-	1,986,523
Grants and contributions not restricted to specific program					5,060,213	-	5,060,213
Investment earnings					442,389	641,768	1,084,157
Miscellaneous income					635,395	-	635,395
Gain (loss) on disposal of assets					(50,819)	48,210	(2,609)
Net transfers					354,245	(354,245)	-
Total General Revenues and Transfers					<u>18,830,008</u>	<u>6,304,756</u>	<u>25,134,764</u>
Change in Net Position					8,269,549	6,601,547	14,871,096
Net Position, Beginning of Year					<u>31,113,098</u>	<u>52,399,786</u>	<u>83,512,884</u>
Net Position, End of Year					<u>\$ 39,382,647</u>	<u>\$ 59,001,333</u>	<u>\$ 98,383,980</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General	CAPITAL PROJECT FUND FEMA	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,873,084	\$ -	\$ 1,879,309	\$ 6,752,393
Investments	8,354,787	-	-	8,354,787
Restricted cash and investments	10,000	22,322,183	3,458,325	25,790,508
Receivables, net of allowance	2,941,055	3,011,393	368,814	6,321,262
Due from other funds	38,197	-	-	38,197
Inventories	17,560	-	259,888	277,448
Prepaid items	47,707	-	230	47,937
Total Assets	\$ 16,282,390	\$ 25,333,576	\$ 5,966,566	\$ 47,582,532
<b>LIABILITIES</b>				
Accounts payable	\$ 246,626	\$ 224,699	\$ 623,826	\$ 1,095,151
Accrued liabilities	174,525	-	16,932	191,457
Deposits payable	10,000	-	-	10,000
Due to other funds	-	9,683	28,514	38,197
Total Liabilities	431,151	234,382	669,272	1,334,805
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	-	22,304,845	325,146	22,629,991
Unavailable property taxes	162,986	-	48,429	211,415
	162,986	22,304,845	373,575	22,841,406
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable:				
Inventory	17,560	-	259,888	277,448
Prepaid items	47,707	-	230	47,937
Restricted:				
Public safety	-	-	504,956	504,956
Capital projects	-	-	2,425,527	2,425,527
Debt service	-	-	839,868	839,868
Other purposes	3,388,173	-	313,986	3,702,159
Assigned:				
Purchases on order	488,043	9,393,942	835,778	10,717,763
Subsequent year's budget; appropriation of fund balance	2,025,007	-	314,499	2,339,506
Unassigned (deficits)	9,721,763	(6,599,593)	(571,013)	2,551,157
Total Fund Balances	15,688,253	2,794,349	4,923,719	23,406,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,282,390	\$ 25,333,576	\$ 5,966,566	\$ 47,582,532

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, 2020

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

Total Fund Balances (Deficits) - Governmental Funds	\$ 23,406,321
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund statements.	40,915,879
Long-term liabilities, including bonds payable and net pension obligation, are not due and payable in the current period and, therefore, are not reported in the fund statements.	(27,721,798)
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	144,562
Defined benefit pension plan deferred outflows and inflows are not available resources and, therefore, are not reported in the fund statements.	2,426,268
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds (unearned property taxes).	<u>211,415</u>
Net Position of Governmental Activities	<u>\$ 39,382,647</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>CAPITAL PROJECT FUND FEMA</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,777,884	\$ -	\$ 820,476	\$ 3,598,360
Gross receipts	5,853,509	-	-	5,853,509
Other	922,679	-	1,986,523	2,909,202
Intergovernmental:				
Federal grants	1,131,276	3,606,575	108,349	4,846,200
State grants	5,206,326	3,944,737	1,672,535	10,823,598
Licenses and permits	424,539	-	9,953	434,492
Charges for services	193,475	-	309,000	502,475
Fines and forfeitures	80,542	-	39,615	120,157
Investment earnings	342,109	-	100,280	442,389
Miscellaneous	569,251	-	27	569,278
Total Revenues	<u>17,501,590</u>	<u>7,551,312</u>	<u>5,046,758</u>	<u>30,099,660</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,987,407	-	7,667	3,995,074
Public safety	5,450,060	-	343,710	5,793,770
Public works	54,045	1,624,762	2,007,971	3,686,778
Culture and recreation	2,207,979	-	1,120,544	3,328,523
Health and welfare	149,476	-	50,958	200,434
Debt service:				
Principal	-	-	1,045,466	1,045,466
Interest	-	-	279,736	279,736
Bond issuance costs	-	-	46,248	46,248
Capital outlay	<u>1,314,867</u>	<u>4,105,754</u>	<u>2,965,000</u>	<u>8,385,621</u>
Total Expenditures	<u>13,163,834</u>	<u>5,730,516</u>	<u>7,867,300</u>	<u>26,761,650</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,337,756</u>	<u>1,820,796</u>	<u>(2,820,542)</u>	<u>3,338,010</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,168,912	23,529	3,276,251	5,468,692
Transfers out	(1,586,895)	-	(1,886,721)	(3,473,616)
Proceeds from debt issuance	-	-	1,500,000	1,500,000
Net Other Financing Sources (Uses)	<u>582,017</u>	<u>23,529</u>	<u>2,889,530</u>	<u>3,495,076</u>
Net Change in Fund Balances	4,919,773	1,844,325	68,988	6,833,086
Fund Balances, Beginning of Year	<u>10,768,480</u>	<u>950,024</u>	<u>4,854,731</u>	<u>16,573,235</u>
Fund Balances (Deficits), End of Year	<u>\$ 15,688,253</u>	<u>\$ 2,794,349</u>	<u>\$ 4,923,719</u>	<u>\$ 23,406,321</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

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

Net Change in Fund Balances - Governmental Funds	\$ 6,833,086
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.	4,334,241
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.	(455,328)
The internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue is reported with governmental activities in the statement of activity.	(41,836)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(2,400,614)</u>
Change in Net Position Governmental Activities	<u>\$ 8,269,549</u>

*This page is intentionally blank.*

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, 2020

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,740,780	\$ 2,740,780	\$ 2,773,616	\$ 32,836
Gross receipts	3,890,000	4,753,550	5,778,031	1,024,481
Other	943,459	943,459	922,679	(20,780)
Intergovernmental:				
Federal grants	-	214,006	1,140,345	926,339
State grants	3,483,125	4,872,368	4,074,800	(797,568)
Licenses and permits	382,800	382,800	424,539	41,739
Charges for services	332,500	380,300	204,136	(176,164)
Fines and forfeitures	86,000	86,000	80,542	(5,458)
Investment earnings	105,000	105,000	342,109	237,109
Miscellaneous	671,486	734,707	569,251	(165,456)
Total Revenues	<u>12,635,150</u>	<u>15,212,970</u>	<u>16,310,048</u>	<u>1,097,078</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,771,136	5,496,124	3,884,946	1,611,178
Public safety	6,004,610	6,037,376	5,450,060	587,316
Public works	250,000	1,989,929	54,045	1,935,884
Culture and recreation	2,420,869	2,443,004	2,207,979	235,025
Health and welfare	145,468	149,525	149,476	49
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	387,075	5,060,121	1,314,867	3,745,254
Total Expenditures	<u>13,979,158</u>	<u>21,176,079</u>	<u>13,061,373</u>	<u>8,114,706</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,344,008)</u>	<u>(5,963,109)</u>	<u>3,248,675</u>	<u>9,211,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Designated cash	1,110,808	5,472,256	-	(5,472,256)
Transfers in	1,847,100	2,191,451	2,188,912	(2,539)
Transfers out	(1,613,900)	(1,700,598)	(1,645,092)	55,506
Refunding bonds issued	-	-	-	-
Net Other Financing Sources (Uses)	<u>1,344,008</u>	<u>5,963,109</u>	<u>543,820</u>	<u>(5,419,289)</u>
Net Change in Cash Balances	<u>\$ -</u>	<u>\$ -</u>	3,792,495	<u>\$ 3,792,495</u>
Cash Balances, Beginning of Year			9,445,376	
Cash Balances, End of Year			<u>\$ 13,237,871</u>	
<b>RECONCILIATION TO GAAP BASIS:</b>				
Net Change in Cash Balances			\$ 3,792,495	
Adjustments to revenues			1,191,542	
Adjustments to expenditures			<u>(64,264)</u>	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 4,919,773</u>	

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL
	Utility	Solid Waste	RWWTP	Nonmajor Funds	Total	ACTIVITIES Internal Service
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	\$ 165,961	\$ 1,038,640	\$ 2,441,308	\$ 52,786	\$ 3,698,695	\$ 134,585
Investments	3,706,805	545,432	7,871,798	-	12,124,035	-
Restricted cash and investments	8,987,006	-	1,726,842	-	10,713,848	-
Receivables, net of allowance	874,687	336,511	298,197	14,684	1,524,079	-
Due from other funds	-	-	-	-	-	-
Inventories	553,462	43,720	1,196,266	65,994	1,859,442	-
Prepaid expenses	196	-	-	331	527	-
Total Current Assets	<u>14,288,117</u>	<u>1,964,303</u>	<u>13,534,411</u>	<u>133,795</u>	<u>29,920,626</u>	<u>134,585</u>
Noncurrent Assets						
Capital assets:						
Land	670,896	53,200	39,946	1,100,000	1,864,042	-
Construction in progress	3,912,208	6,211	-	-	3,918,419	-
Infrastructure	18,889,404	-	22,809,628	-	41,699,032	-
Buildings and improvements	530,942	1,306,788	-	6,182,396	8,020,126	-
Machinery and equipment	621,280	638,520	422,062	779,029	2,460,891	223,430
Vehicles	1,419,368	3,723,969	128,714	980,763	6,252,814	-
Less: accumulated depreciation	<u>(4,000,083)</u>	<u>(4,789,704)</u>	<u>(4,955,139)</u>	<u>(4,786,438)</u>	<u>(18,531,364)</u>	<u>(211,955)</u>
Total Noncurrent Assets	<u>22,044,015</u>	<u>938,984</u>	<u>18,445,211</u>	<u>4,255,750</u>	<u>45,683,960</u>	<u>11,475</u>
Total Assets	<u>36,332,132</u>	<u>2,903,287</u>	<u>31,979,622</u>	<u>4,389,545</u>	<u>75,604,586</u>	<u>146,060</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related	<u>533,359</u>	<u>394,200</u>	<u>192,785</u>	<u>-</u>	<u>1,120,344</u>	<u>-</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	331,438	101,227	86,226	3,243	522,134	1,498
Accrued liabilities	48,991	26,121	17,112	5,250	97,474	-
Deposits payable	354,118	-	-	-	354,118	-
Due to other funds	-	-	-	-	-	-
Accrued interest	4,011	-	161,665	-	165,676	-
Bonds and loans payable	235,000	-	830,000	-	1,065,000	-
Compensated absences	17,759	13,691	6,546	777	38,773	-
Unearned revenue	-	-	-	11,338	11,338	-
Total Current Liabilities	<u>991,317</u>	<u>141,039</u>	<u>1,101,549</u>	<u>20,608</u>	<u>2,254,513</u>	<u>1,498</u>
Noncurrent Liabilities						
Compensated absences	204,232	157,441	75,276	8,934	445,883	-
Bonds and notes payable	1,400,000	-	8,635,000	-	10,035,000	-
Net pension obligation	<u>2,279,573</u>	<u>1,751,789</u>	<u>866,056</u>	<u>-</u>	<u>4,897,418</u>	<u>-</u>
Total Noncurrent Liabilities	<u>3,883,805</u>	<u>1,909,230</u>	<u>9,576,332</u>	<u>8,934</u>	<u>15,378,301</u>	<u>-</u>
Total Liabilities	<u>4,875,122</u>	<u>2,050,269</u>	<u>10,677,881</u>	<u>29,542</u>	<u>17,632,814</u>	<u>1,498</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>					<u>GOVERNMENTAL</u>
	<u>Utility</u>	<u>Solid Waste</u>	<u>RWWTP</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>ACTIVITIES</u> <u>Internal Service</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related	43,245	31,919	15,619	-	90,783	-
<b>NET POSITION</b>						
Net investment in capital assets	20,409,015	938,984	8,980,211	4,255,750	34,583,960	11,475
Restricted for:						
Debt service	172,398	-	1,726,842	-	1,899,240	-
Deposits	354,118	-	-	-	354,118	-
Restricted resources (See Note 4. B.)	8,460,490	-	-	-	8,460,490	-
Unrestricted	2,551,103	276,315	10,771,854	104,253	13,703,525	133,087
Total Net Position	<u>\$ 31,947,124</u>	<u>\$ 1,215,299</u>	<u>\$ 21,478,907</u>	<u>\$ 4,360,003</u>	<u>\$ 59,001,333</u>	<u>\$ 144,562</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>					<u>GOVERNMENTAL</u>
	<u>Utility</u>	<u>Solid Waste</u>	<u>RWWTP</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>ACTIVITIES</u> <u>Internal Service</u>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 6,038,244	\$ 2,810,872	\$ 3,962,622	\$ 712,589	\$ 13,524,327	\$ 903,643
Intergovernmental - State	-	-	-	10,000	10,000	-
Miscellaneous	<u>22,967</u>	<u>15,417</u>	<u>499,563</u>	<u>230,438</u>	<u>768,385</u>	<u>96,334</u>
Total Revenues	<u>6,061,211</u>	<u>2,826,289</u>	<u>4,462,185</u>	<u>953,027</u>	<u>14,302,712</u>	<u>999,977</u>
<b>OPERATING EXPENSES</b>						
Current:						
Personnel services	2,548,047	1,596,264	885,620	247,508	5,277,439	-
Materials and supplies	300,530	250,599	(37,768)	501,371	1,014,732	59,191
Repairs and maintenance	605,920	473,984	626,508	28,260	1,734,672	1,100
Utilities	336,878	57,654	460,711	46,633	901,876	-
Contractual services	1,098,602	825,944	457,027	92,915	2,474,488	936,836
Depreciation expense	<u>714,444</u>	<u>558,003</u>	<u>622,503</u>	<u>417,732</u>	<u>2,312,682</u>	<u>44,686</u>
Total Expenditures	<u>5,604,421</u>	<u>3,762,448</u>	<u>3,014,601</u>	<u>1,334,419</u>	<u>13,715,889</u>	<u>1,041,813</u>
Operating Income/(loss)	<u>456,790</u>	<u>(936,159)</u>	<u>1,447,584</u>	<u>(381,392)</u>	<u>586,823</u>	<u>(41,836)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Gross receipts taxes	4,395,000	1,049,349	524,674	-	5,969,023	-
Intergovernmental:						
Federal grants	-	-	-	-	-	-
State grants	-	-	-	85,061	85,061	-
Investment earnings	329,481	13,042	299,245	-	641,768	-
Premium on the issuance of debt	-	-	-	-	-	-
Gain (loss) on disposal of assets	18,697	1,767	27,746	-	48,210	-
Debt service:						
Interest	(51,300)	-	(323,793)	-	(375,093)	-
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Nonoperating Revenues	<u>4,691,878</u>	<u>1,064,158</u>	<u>527,872</u>	<u>85,061</u>	<u>6,368,969</u>	<u>-</u>
Income Before Transfers	<u>5,148,668</u>	<u>127,999</u>	<u>1,975,456</u>	<u>(296,331)</u>	<u>6,955,792</u>	<u>(41,836)</u>
<b>NET TRANSFERS</b>						
Transfers in	1,640,831	-	-	20,000	1,660,831	-
Transfers out	<u>(1,061,088)</u>	<u>(385,830)</u>	<u>(516,754)</u>	<u>(51,404)</u>	<u>(2,015,076)</u>	<u>-</u>
Net Transfers	<u>579,743</u>	<u>(385,830)</u>	<u>(516,754)</u>	<u>(31,404)</u>	<u>(354,245)</u>	<u>-</u>
Net Change in Net Position	5,728,411	(257,831)	1,458,702	(327,735)	6,601,547	(41,836)
Net Position, Beginning of Year	<u>26,218,713</u>	<u>1,473,130</u>	<u>20,020,205</u>	<u>4,687,738</u>	<u>52,399,786</u>	<u>186,398</u>
Net Position, End of Year	<u>\$ 31,947,124</u>	<u>\$ 1,215,299</u>	<u>\$ 21,478,907</u>	<u>\$ 4,360,003</u>	<u>\$ 59,001,333</u>	<u>\$ 144,562</u>

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



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES Internal Service
	Utility	Solid Waste	RWWTP	Nonmajor Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 6,184,963	\$ 2,876,704	\$ 4,641,768	\$ 940,238	\$ 14,643,673	\$ 999,977
Cash received from operational grants	-	-	-	10,000	10,000	-
Cash received from (paid to) other funds for services	-	-	-	-	-	-
Cash paid to suppliers for goods and services	(2,340,543)	(1,577,533)	(1,754,924)	(647,004)	(6,320,004)	(1,004,678)
Cash paid on behalf of employees for retirement	130,823	111,414	65,245	-	307,482	-
Cash paid to employees for salaries and benefits	(2,502,224)	(1,613,149)	(874,962)	(256,289)	(5,246,624)	-
Net Cash Provided by (Used for) Operating Activities	<u>1,473,019</u>	<u>(202,564)</u>	<u>2,077,127</u>	<u>46,945</u>	<u>3,394,527</u>	<u>(4,701)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Cash received from taxes	4,395,000	1,049,349	524,674	-	5,969,023	-
Operating subsidies from (to) other funds	579,743	(385,830)	(516,754)	(31,404)	(354,245)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>4,974,743</u>	<u>663,519</u>	<u>7,920</u>	<u>(31,404)</u>	<u>5,614,778</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(3,136,354)	(135,272)	5,999	(94,512)	(3,360,139)	-
Proceeds from the issuance of debt	-	-	-	-	-	-
Capital grants	-	-	-	85,061	85,061	-
Principal paid on capital debt	-	-	(805,000)	-	(805,000)	-
Interest paid on capital debt	(51,588)	-	(337,307)	-	(388,895)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(3,187,942)</u>	<u>(135,272)</u>	<u>(1,136,308)</u>	<u>(9,451)</u>	<u>(4,468,973)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment earnings	329,481	13,042	299,245	-	641,768	-
Net Increase (Decrease) in Cash and Cash Equivalents	3,589,301	338,725	1,247,984	6,090	5,182,100	(4,701)
Cash and Cash Equivalents, Beginning of Year	9,270,471	1,245,347	10,791,964	46,696	21,354,478	139,286
Cash and Cash Equivalents, End of Year	<u>\$ 12,859,772</u>	<u>\$ 1,584,072</u>	<u>\$ 12,039,948</u>	<u>\$ 52,786</u>	<u>\$ 26,536,578</u>	<u>\$ 134,585</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>						
Operation income (loss)	\$ 456,790	\$ (936,159)	\$ 1,447,584	\$ (381,392)	\$ 586,823	\$ (41,836)
Adjustments to reconcile net operating income to net cash provided by operating activities:						
Depreciation	714,444	558,003	622,503	417,732	2,312,682	44,686
(Increase) decrease in accounts receivable	60,188	606	184,240	(7,421)	237,613	-
Increase (decrease) in allowance for doubtful	14,937	49,809	(4,657)	-	60,089	-
(Increase) decrease in inventories	(109,699)	21,769	(262,824)	60,660	(290,094)	-
(Increase) decrease in prepaid items	82	-	-	(17)	65	-
(Increase) decrease in deferred outflows	218,565	161,538	79,000	-	459,103	-
Increase (decrease) in accounts payable	111,004	8,879	14,378	(38,468)	95,793	(7,551)
Increase (decrease) in accrued wages and taxes	10,396	1,693	4,580	(389)	16,280	-
Increase (decrease) in meter deposits	48,627	-	-	-	48,627	-
Increase (decrease) in due to other funds	-	-	-	-	-	-
Increase (decrease) in compensated absences	35,427	(18,578)	6,078	(8,392)	14,535	-
Increase (decrease) in unearned revenue	-	-	-	4,632	4,632	-
Increase (decrease) in deferred inflows	(51,344)	(37,948)	(18,558)	-	(107,850)	-
Increase (decrease) in net pension liability	(36,398)	(12,176)	4,803	-	(43,771)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,473,019</u>	<u>\$ (202,564)</u>	<u>\$ 2,077,127</u>	<u>\$ 46,945</u>	<u>\$ 3,394,527</u>	<u>\$ (4,701)</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30,2020

	Special Gifts	Bail Bonds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 206,835	\$ 335	\$ 207,170
Accounts receivable	-	-	-
Total Assets	\$ 206,835	\$ 335	\$ 207,170
<b>LIABILITIES</b>			
Accounts payable	\$ 12,650	\$ -	\$ 12,650
Due to other funds	-	-	-
Special projects payable	194,185	335	194,520
Total Liabilities	\$ 206,835	\$ 335	\$ 207,170

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

**NOTES TO THE FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**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 nonfiduciary 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 nonexchange 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 on November 15, 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 (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards (GAFRS) which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**B. Reporting Entity (Continued)**

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Village of Ruidoso and/or its citizens, or whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village has no component units during the fiscal year ended June 30, 2020.

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

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

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

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

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

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

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

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

The Village reports the following major governmental funds:

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

The *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 proprietary funds:

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

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

The *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 power agreement (JPA) between the Village and the City of Ruidoso Downs (CORD). The JPA created a Joint Use Board for the implementation of construction and operation of the regional control of wastewater treatment facilities. This fund accounts for the wastewater services provided to residents of the Village, the CORD, and the surrounding area, including administration, operations, maintenance, debt service, and billing and collection.

Additionally, the Village reports the following fund type:

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

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

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

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

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

Proprietary funds distinguish *operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

**D. Budgetary Information**

*Budgetary Basis of Accounting*

Annual budgets are prepared and adopted on a cash basis of accounting, which is 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. Appropriated budgets are prepared by fund, department, and functional category (i.e., personnel, operations, and capital outlay). The legal level of budgetary control (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 State of New Mexico's Department of Finance and Administration (DFA) for oversight approval. Once the budget has been formally approved, amendments (increases, decreases to the overall amounts) must be approved by the Village Manager, the 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.

*Excess of Expenditures over Appropriations*

For the year ended June 30, 2030, 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 two (2) years, 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. In addition, the Village supports two (2) debt reserve funds in connection with the Series 2013 RWWTP Revenue Bond and the Series 2013 SGRT Refunding Bonds.



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

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

The Village is permitted to levy taxes for general operating purposes based on taxable value for residential and nonresidential property, taxable value being defined as one-third of full assessed value. In addition, the Village is allowed to levy taxes for payments of bond principal and interest in an amount approved by the Village. The Village's total tax rate to finance general government services for the year ended June 30, 2020 was \$5.349 per \$1,000 for residential property and \$4.307 for nonresidential property. In addition, there was a \$1.489 per \$1,000 debt service levy for both residential and nonresidential property that is dedicated to water distribution infrastructure projects and is renewed every two (2) years by the citizens of the Village. Last renewal March 2020.

*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.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

*Capital Assets*

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

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

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

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

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

*Accrued Liabilities*

Accrued liabilities are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2020, 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.

STATE OF NEW MEXICO  
 VILLAGE OF RUIDOSO  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

*Deferred Outflows/Inflows of Resources (Continued)*

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. With minor exceptions, the Village allows the accumulation of vacation leave up to a maximum of 260 hours for regular employees and 330 hours for fire department employees. Earned vacation, up to the maximum amount, can be carried over from one calendar year to the next. Upon termination, employees shall receive payment for unused, accrued vacation. Vacation benefit vesting is on a bi-weekly basis as follows:

<u>Service Period</u>	<u>Regular Employees</u>	<u>Fire Employees</u>
1 to 36 months	4.00 hours	5.30 hours
37 to 60 months	5.00 hours	6.15 hours
61 to 119 months	6.50 hours	7.75 hours
120 to 149 months	7.00 hours	9.15 hours
150 to 239 months	7.50 hours	10.30 hours
240 months & over	8.50 hours	11.20 hours

Village employees also earn sick leave at a rate of 4.00 hours per pay period for regular employees and 4.98 hours per pay period for fire department employees. The Village allows the accumulation of sick leave up to a maximum of 1,560 hours and can be carried over from one calendar year to the next. Upon retirement, employees are entitled to receive payment, at a rate of 2 for 1, of accrued, vested sick leave. The Village has adopted the following vesting schedule:

<u>Service Period</u>	<u>Vesting %</u>	<u>Maximum Hours</u>
1 to 9 years	0%	0 hours
10 to 14 years	50%	260 hours
15 to 19 years	75%	390 hours
Over 20 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.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

*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, except for 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:

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

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

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

*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.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**

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

*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 \$3,388,173 at June 30, 2020.

**F. Estimates**

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

**G. Pensions**

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**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 Statement 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 \$27,721,798 difference are as follows:

Bonds payable	\$ (7,865,000)
Loans payable	(1,237,214)
Net pension obligation	(17,812,914)
Accrued interest (amortized as interest expense)	(22,424)
Compensated absences	(796,160)
Less: deferred charge for insurance (amortized over debt life)	11,914
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$(27,721,798)</u>

Another element of that reconciliation states that “Defined benefit pension plan related deferred outflows and inflows are not available resources and, therefore, are not reported in the fund statements”. The details of this \$2,426,268:

Deferred inflows – pension related	
Difference between expected and actual results	\$ (439,136)
Change in assumptions	(38,075)
Change in proportion and difference between employer contributions and proportion share of contributions	(243,465)
Deferred outflows – pension related	
FY 2019 employee contributions	1,131,679
Difference between expected and actual results	501,010
Change in assumptions	731,725
Net difference between projected and actual investment earnings	475,135
Change in proportion and difference between employer contributions and proportion share of contribution	307,395
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 2,426,268</u>

**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 \$4,334,241 difference are as follows:

Capital outlay	\$ 6,744,790
Depreciation expense	(2,410,549)
Net adjustment to reduce net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	<u>\$ 4,334,241</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

**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 \$455,328 difference are as follows:

Bond proceeds	\$(1,500,000)
Amortization expense	(794)
Less: principal repayments:	
Revenue bond debt	150,000
General obligation debt	715,000
Loans payable	180,466
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	\$ (455,328)

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 \$2,400,614 difference are as follows:

Pension expense	\$(2,422,296)
Delinquent property taxes	27,514
Accrued interest	399
Compensated absences	44,588
Less: loss on sale of assets	(50,819)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position – governmental activities	\$ (2,400,614)

**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Violations of Legal or Contractual Provisions**

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

**B. Deficit Fund Equity**

At June 30, 2020, the Village did not report any funds with a negative fund balance.

**STATE OF NEW MEXICO**  
**VILLAGE OF RUIDOSO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 4. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash Deposits with Financial Institutions**

Below is a summary of cash, cash equivalents, and investments as of June 30, 2020.

	Fair Market Value (FMV)	Bank Balance	Maturities
<b>DEPOSITORY ACCOUNTS</b>			
Checking	\$ 29,071,864	\$ 29,356,341	Full liquidity
Savings	9,524,968	9,524,968	Full liquidity
Cash with fiscal agent	805,282	805,282	
	<u>39,402,114</u>	<u>39,686,591</u>	
<b>INVESTMENTS</b>			
Money market	3,842,877	3,842,877	Full liquidity
Certificates of deposit	22,683,433	22,683,433	Five years or less
Municipal securities	1,082,722	1,082,722	
Treasury notes	763,075	763,075	Five years or less
	<u>28,372,107</u>	<u>28,372,107</u>	
SUBTOTAL	67,774,221	68,058,698	
<b>CASH ON HAND</b>	<u>1,800</u>	<u>-</u>	
<b>TOTAL</b>	<u>\$ 67,776,021</u>	<u>\$ 68,058,698</u>	

State statutes (2.60.2 NMSA 1978) authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested fund of the Village properly followed State investment requirements as of June 30, 2020.

Deposits of funds may be made in interest or noninterest 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.

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.

*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, 2020, none of the Village's bank balances of \$68,058,698 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.



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**A. Cash Deposits with Financial Institutions (Continued)**

*Interest Rate Risk - Deposits*

The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk - Deposits*

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized static rating organizations. The Village has no investment policy that would further limit its investment choices.

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.

At June 30, 2020, investments were measured at fair value using:

	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Investments by Fair Value Level</b>				
US Bank	\$ 3,842,877	\$ -	\$ -	\$ 3,842,877
Marketable CDs	22,683,433	-	-	22,683,433
Sallie Mae	-	259,297	-	259,297
Municipal Securities	-	1,082,722	-	1,082,722
US Treasury	-	503,778	-	503,778
<b>Total</b>	<b>\$ 26,526,310</b>	<b>\$ 1,845,797</b>	<b>\$ -</b>	<b>\$ 28,372,107</b>

**B. Restricted Assets**

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Restricted bond proceeds	\$ 3,338,725
Restricted grant funds	22,322,183
Debt service reserve funds	119,600
Customer deposits	<u>10,000</u>
	<u>25,790,508</u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Restricted GRT revenues	8,460,490
Debt service reserve fund	1,899,240
Customer deposits	<u>354,118</u>
	<u>10,713,848</u>
Total Restricted Cash and Investments	<u>\$36,504,356</u>

**C. Receivables**

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**C. Receivables (Continued)**

	General	FEMA Capital Project	Nonmajor Governmental	Total
<b>RECEIVABLES</b>				
Accounts	\$ 165,577	\$ -	\$ 8,425	\$ 174,002
Taxes	1,875,007	-	262,529	2,137,536
Intergovernmental	1,313,912	4,380,098	163,002	5,857,012
	3,354,496	4,380,098	433,956	8,168,550
Allowance for doubtful accounts	(413,441)	(1,368,705)	(65,142)	(1,847,288)
<b>NET RECEIVABLES</b>	<b>\$ 2,941,055</b>	<b>\$ 3,011,393</b>	<b>\$ 368,814</b>	<b>\$ 6,321,262</b>

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, property tax revenues in the amount of \$211,415 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, 2020. In addition, FEMA grant funds advanced in the amount of \$22,304,845 and NM Department of Transportation grant funds advanced in the amount of \$368,814 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, 2020.

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

	RJU	Solid Waste	RWWTP	Nonmajor Proprietary	Total
<b>RECEIVABLES</b>					
Accounts	\$ 331,075	\$ 713,487	\$ 393,241	\$ 4,684	\$ 1,442,487
Taxes	638,565	157,430	78,715	-	874,710
Intergovernmental	-	-	-	10,000	10,000
	969,640	870,917	471,956	14,684	2,327,197
Allowance for doubtful accounts	(94,953)	(534,406)	(173,759)	-	(803,118)
<b>NET RECEIVABLES</b>	<b>\$ 874,687</b>	<b>\$ 336,511</b>	<b>\$ 298,197</b>	<b>\$ 14,684</b>	<b>\$ 1,524,079</b>

**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 the internal balances as of June 30, 2020.

**GOVERNMENTAL ACTIVITIES**

Due to the General Fund from Major Capital Project Fund	\$ 9,683	Refund of grant matching funds
Due to the General Fund from Nonmajor Special Revenue Fund	<u>28,514</u>	Grant reimbursement delay
Total	<u>\$38,197</u>	

**STATE OF NEW MEXICO**  
**VILLAGE OF RUIDOSO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

**D. Internal Balances (Continued)**

Net operating transfers for the year ended June 30, 2020 are as follows:

<b>MAJOR FUNDS</b>	<b>Transfers IN</b>	<b>Transfers OUT</b>	<b>Purpose</b>
<i>Governmental Activities</i>			
General Fund	\$ 2,168,912	\$ 1,586,895	Administrative fees, operating subsidies, and debt service
FEMA Capital Project Fund	<u>23,529</u>	<u>-</u>	Local match for FEMA Disaster grant
Subtotal Governmental	<u>2,192,441</u>	<u>1,586,895</u>	
<i>Business-type Activities</i>			
RJU Enterprise Fund	1,640,831	1,061,088	Administrative fees and fixed asset transfers
Solid Waste Enterprise Fund	-	385,830	Administrative fees
RWWTP Enterprise Fund	<u>-</u>	<u>516,754</u>	Administrative fees
Subtotal Proprietary	<u>1,640,831</u>	<u>1,963,672</u>	
<b>Total Major Funds</b>	<b><u>3,833,272</u></b>	<b><u>3,550,567</u></b>	
<b>NONMAJOR FUNDS</b>			
<i>Governmental Activities</i>			
	3,276,251	1,886,721	Operating subsidies and debt service
<i>Business-type Activities</i>			
	<u>20,000</u>	<u>51,404</u>	Operating subsidy and administrative fees
<b>Total Nonmajor Funds</b>	<b><u>3,296,251</u></b>	<b><u>1,938,125</u></b>	
	<u>\$ 7,129,523</u>	<u>\$ 5,488,692</u>	

During fiscal year 2020, the Village transferred \$1,640,831 of capital assets from the GO Bond Capital Improvement Fund to the RJU Enterprise Fund. Since the GO Bond Fund uses the modified accrual basis of accounting, there are no capital assets included in the corresponding Balance Sheet, there was no transfer out to record in the GO Bond Fund. As a result, the above transfers in and transfers out do not net to zero.

**E. Capital Assets**

Capital assets activity for governmental activities for the year ended June 30, 2020 was as follows.

	Beginning Balance	Additions	Deletions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets, not being depreciated				
Land	\$ 11,810,785	\$ -	\$ (1)	\$ 11,810,784
Construction in progress	5,464,723	4,998,715	(856,235)	9,607,203
Art	18,200	-	-	18,200
<i>Total capital assets not depreciated</i>	<u>17,293,708</u>	<u>4,998,715</u>	<u>(856,236)</u>	<u>21,436,187</u>
Capital assets, begin depreciated				
Infrastructure	39,328,349	841,127	-	40,169,476
Buildings and improvements	15,099,952	994,415	-	16,094,367
Machinery and equipment	4,515,284	458,990	(371,350)	4,602,924
Vehicles	<u>6,117,867</u>	<u>306,026</u>	<u>-</u>	<u>6,423,893</u>
Total capital assets, being depreciated	<u>65,061,452</u>	<u>2,600,558</u>	<u>(371,350)</u>	<u>67,290,660</u>
Accumulated depreciation for:				
Infrastructure	(27,952,536)	(481,392)	-	(28,433,928)
Buildings and improvements	(10,082,090)	(339,747)	-	(10,421,837)
Machinery and equipment	(2,941,465)	(826,885)	170,506	(3,597,844)
Vehicles	<u>(4,538,673)</u>	<u>(807,211)</u>	<u>-</u>	<u>(5,345,884)</u>
Total accumulated depreciation	<u>(45,514,764)</u>	<u>(2,455,235)</u>	<u>170,506</u>	<u>(47,799,493)</u>
<i>Total capital assets, net of depreciation</i>	<u>19,546,688</u>	<u>145,323</u>	<u>(200,844)</u>	<u>19,491,167</u>
<b>Net capital assets</b>	<b><u>\$ 36,840,396</u></b>	<b><u>\$ 5,144,038</u></b>	<b><u>\$(1,057,080)</u></b>	<b><u>\$ 40,927,354</u></b>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**E. Capital Assets (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General government	\$1,061,346
Public safety	614,545
Public works	512,257
Culture and recreation	265,434
Health and welfare	<u>1,653</u>
	<u>\$2,455,235</u>

Capital assets activity for business-type activities for the year ended June 30, 2020 was as follows.

	Beginning Balance	Additions	Deletions	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets, not being depreciated				
Land	\$ 1,723,557	\$ 140,485	\$ -	\$ 1,864,042
Construction in progress	2,445,387	2,183,065	(710,033)	3,918,419
<i>Total capital assets not depreciated</i>	<u>4,168,944</u>	<u>2,323,550</u>	<u>(710,033)</u>	<u>5,782,461</u>
Capital assets, begin depreciated				
Infrastructure	40,373,090	1,325,942	-	41,699,032
Buildings and improvements	7,906,860	113,266	-	8,020,126
Machinery and equipment	2,267,107	193,784	-	2,460,891
Vehicles	6,090,974	161,840	-	6,252,814
<i>Total capital assets, being depreciated</i>	<u>56,638,031</u>	<u>1,794,833</u>	<u>-</u>	<u>58,432,863</u>
Accumulated depreciation for:				
Infrastructure	(5,452,550)	(1,018,408)	-	(6,470,958)
Buildings and improvements	(4,148,583)	(201,630)	-	(4,350,213)
Machinery and equipment	(1,474,458)	(581,851)	-	(2,056,309)
Vehicles	(5,143,091)	(510,793)	-	(5,653,884)
<i>Total accumulated depreciation</i>	<u>(16,218,682)</u>	<u>(2,132,682)</u>	<u>-</u>	<u>(18,531,364)</u>
<i>Total capital assets, net of depreciation</i>	<u>40,419,349</u>	<u>(337,850)</u>	<u>(710,033)</u>	<u>39,901,499</u>
<b>Net capital assets</b>	<b>\$ 44,588,293</b>	<b>\$ 1,985,701</b>	<b>\$ -</b>	<b>\$ 45,683,960</b>

**BUSINESS-TYPE ACTIVITIES**

Water and sewer (RJU)	\$ 714,445
Solid waste	558,003
Wastewater (RWWTP)	622,502
Airport	<u>417,732</u>
	<u>\$2,312,682</u>

STATE OF NEW MEXICO  
 VILLAGE OF RUIDOSO  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

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

**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, Otero County, 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 the regional landfill for the year ended June 30, 2020.

*Gross Receipts Tax Bonds*

The Village issues bonds where the Village pledges income from the receipt of 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 \$6,260,000. The 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 4.00%.

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

	Amount	Maturity Date
<b>May 2012</b>		
Water infrastructure	\$ 1,635,000	June 1, 2031
<b>August 2015</b>		
Capital projects	<u>3,095,000</u>	June 1, 2035
	<u>\$ 4,730,000</u>	

Annual debt service requirements to maturity for all capital project GRT revenue bonds in business-type activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 235,000	\$ 48,138
2022	-	44,537
2023	245,000	40,938
2024	-	37,187
2025	265,000	33,288
2026 – 2030	575,000	98,681
2031 - 2031	<u>315,000</u>	<u>5,200</u>
	<u>\$1,635,000</u>	<u>\$ 307,969</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**F. Long-term Liabilities (Continued)**

*Gross Receipts Tax Revenue Bonds (Continued)*

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 150,000	\$ 111,400
2022	165,000	106,900
2023	175,000	101,950
2024	180,000	96,700
2025	180,000	91,300
2026 – 2030	1,010,000	363,675
2031 - 2035	<u>1,235,000</u>	<u>151,600</u>
	<u>\$ 3,095,000</u>	<u>\$ 1,023,525</u>

*Revenue Bonds*

The Village also issues bonds and pledges income derived from the net revenues from the operation of the municipal regional wastewater treatment plant and the water and sewer distribution systems. Revenue bonds have been issued for business-type activities. The original amount of revenue bonds issued in prior years was \$8,445,000. The bonds refunded revenue bonds that were used for the construction and/or improvements to the wastewater plant. Interest rate on the bonds is ranges from 2.00% to 4.00%.

Revenue bonds outstanding at year-end are as follows:

	<u>Amount</u>	<u>Maturity Date</u>
<b>July 2013</b>		
Wastewater	\$ 6,310,000	July 1, 2030

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 470,000	\$ 232,063
2022	485,000	217,737
2023	500,000	200,463
2024	520,000	180,062
2025	540,000	158,863
2026 – 2030	2,530,000	505,369
2031	<u>1,265,000</u>	<u>25,300</u>
	<u>\$ 6,310,000</u>	<u>\$ 1,519,857</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**F. Long-term Liabilities (Continued)**

*General Obligation (GO) Bonds*

GO bonds are usually issued for governmental activities, although the Village has issued for the direct benefit of the wastewater system (business-type activity). The original amount of GO bonds issued in prior years was \$12,630,000 and during the year, the Village issued an additional \$1,500,000 for water infrastructure projects as a part of a GO bond cycling program. Of the total amount, \$9,000,000 provided funds for the water system and \$5,130,000 was used to refund bonds used for RWWTP construction. Interest rates on the bonds range from 1.62% to 2.64%. GO bonds are direct obligations and pledge the full faith and credit of the Village. Pledged revenue for the water bonds is a 1.5 mil tax levy that is voter approved every two (2) years. The next election is scheduled for March 2022. The Village has repaid the RWWTP bonds with net revenues from wastewater operations instead of property taxes.

GO Bonds outstanding at year-end are as follows:

	Amount	Maturity Date
<b>GO Bonds</b>		
Water	\$ 375,000	June 1, 2024
Water	530,000	June 1, 2025
Water	755,000	June 1, 2026
Water	805,000	June 1, 2027
Water	1,040,000	June 1, 2028
Water	<u>1,265,000</u>	June 1, 2029
	4,770,000	
Wastewater	<u>3,155,000</u>	July 1, 2027
	<u>\$ 7,925,000</u>	

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 625,000	\$ 105,012
2022	630,000	92,336
2023	650,000	79,301
2024	660,000	65,611
2025	665,000	51,470
2026 – 2029	<u>1,540,000</u>	<u>72,850</u>
	<u>\$ 4,770,000</u>	<u>\$ 466,580</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 360,000	\$ 78,540
2022	370,000	68,904
2023	380,000	59,004
2024	390,000	48,840
2025	395,000	38,478
2026 – 2028	<u>1,260,000</u>	<u>50,424</u>
	<u>\$ 3,155,000</u>	<u>\$ 344,190</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**F. Long-term Liabilities (Continued)**

*Capital Loans*

The Village has also issued low interest rate loans provided by intergovernmental agencies for the acquisition of equipment, and the remodel of facilities. Capital loans were issued for governmental activities. The original amount of capital loans issued in prior years was \$2,874,118.

Capital Loans outstanding at year-end are as follows:

	Amount	Maturity Date
Fire trucks	\$ 398,845	May 1, 2025
Convention center	838,369	May 1, 2029
	<u>\$ 1,237,214</u>	

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 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 distribution of fire protection funds.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 73,825	\$ 16,244
2022	76,527	13,542
2023	79,489	10,580
2024	82,740	7,329
2025	<u>86,264</u>	<u>3,804</u>
	<u>\$ 398,845</u>	<u>\$ 51,499</u>

The Village obtained a loan from NMFA on February 10, 2012 for the purpose of remodeling the Convention Center. The original loan amount was \$1,537,768 with an interest rate of 3.00%. The term of the loan is twenty (20) years with payments commencing in 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 Lodgers' Tax revenues.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 78,692	\$ 36,349
2022	81,753	33,288
2023	85,048	29,994
2024	88,569	26,473
2025	<u>504,307</u>	<u>70,900</u>
	<u>\$ 838,369</u>	<u>\$ 197,004</u>



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

**F. Long-term Liabilities (Continued)**

*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, 2020 follows:

	Outstanding 07/01/19	Borrowings	Repayments	Outstanding 06/30/20	Due within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
GRT revenue bonds	\$ 3,245,000	\$ -	\$ 150,000	\$ 3,095,000	\$ 150,000
GO bonds	3,985,000	1,500,000	715,000	4,770,000	625,000
Capital loans	1,569,458	-	332,244	1,237,214	152,517
	8,799,458	1,500,000	1,197,244	9,102,214	927,517
Compensated absences	840,748	-	44,588	796,160	63,693
Total Governmental	9,640,206	1,500,000	1,241,832	9,898,374	991,210
<b>BUSINESS-TYPE ACTIVITIES</b>					
GRT revenue bonds	1,635,000	-	-	1,635,000	235,000
GO bonds	3,505,000	-	350,000	3,155,000	360,000
Revenue bonds	6,765,000	-	455,000	6,310,000	470,000
	11,905,000	-	805,000	11,100,000	1,065,000
Compensated absences	470,121	14,535	-	484,656	38,773
Total Business-type	12,375,121	14,535	805,000	11,584,656	1,103,773
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 22,015,327</b>	<b>\$ 1,514,535</b>	<b>\$ 2,046,832</b>	<b>\$ 21,483,030</b>	<b>\$ 2,094,983</b>

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

**G. Leases**

The Village leases office equipment, heavy equipment, and machinery under short-term cancellable operating leases. Rental expenses for the year ended June 30, 2020 was \$164,884.

**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. For the year ended June 30, 2020 this amounted to \$3,388,173.

**STATE OF NEW MEXICO**  
**VILLAGE OF RUIDOSO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**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, 2020 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, 2020. 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.

**C. PERA Pension Plan**

*Plan Description*

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan**

*Plan Description (Continued)*

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

*Benefits Provided*

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2018 available at [http://www.pera.state.nm.us/pdf/AuditFinancial\\_Statements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2019.pdf](http://www.pera.state.nm.us/pdf/AuditFinancial_Statements/366_Public_Employees_Retirement_Association_2019.pdf).

*Contributions*

The contribution requirements of the defined benefit plan members and the Village are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for fiscal year 2019 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA fiscal year 2019 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2018.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2018.pdf). The PERA coverage options that apply to the Village are: Municipal General, Municipal Police, and Municipal Fire. Statutorily required contributions to the pension plan from the Village were \$1,141,700 and employer paid member benefits that were "picked up" by the employer were \$401,881 for the year ended June 30, 2020.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan (Continued)**

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

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2020. The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019 to June 30, 2020 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2020 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, at June 30, 2020, the Village reported a liability of \$12,939,968 for its proportionate share of the net pension liability. At June 30, 2020, the Village's proportion was 0.7475%, which was unchanged from its proportion measured as of June 30, 2019, due to the insignificance of the difference.

For the year ended June 30, 2020, the Village recognized PERA Fund Division Municipal General's pension expense of \$2,800,655. At June 30, 2020, the Village reported PERA Fund Division Municipal General's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 387,965	\$ 139,981
Change in assumptions	576,986	31,871
Net difference between projected and actual earnings on pension plan investments	436,042	-
Change in proportion and differences between employer contributions and proportionate share of contributions	253,079	40,379
Village contributions subsequent to measurement date	961,719	-
<b>TOTAL</b>	<b>\$ 2,615,791</b>	<b>\$ 212,231</b>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan (Continued)**

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

\$961,717 was reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date of June 30, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Deferral</u>
2021	\$ 757,149
2022	408,330
2023	204,621
2024	71,741
2025	-
	<u>\$ 1,441,841</u>

For PERA Fund Division Municipal Police, at June 30, 2020, the Village reported a liability of \$4,568,668 for its proportionate share of the net pension liability. At June 30, 2020, the Village's proportion was 0.6185%, which was unchanged from its proportion measured as of June 30, 2019, due to the insignificance of the difference.

For the year ended June 30, 2020, the Village recognized PERA Fund Division Municipal Police's pension expense of \$786,356. At June 30, 2020, the Village reported PERA Fund Division Municipal Police's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Type</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 190,865	\$ 194,617
Change in assumptions	259,147	11,624
Net difference between projected and actual earnings on pension plan investments	142,666	-
Change in proportion and differences between employer contributions and proportionate share of contributions	40,992	203,071
Village contributions subsequent to measurement date	<u>322,271</u>	<u>-</u>
TOTAL	<u>\$ 955,941</u>	<u>\$ 409,312</u>

\$322,271 was reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date of June 30, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Deferral</u>
2021	\$ 104,723
2022	85,322
2023	10,899
2024	23,414
2025	-
	<u>\$ 224,358</u>

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan (Continued)**

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

For PERA Fund Division Municipal Fire, at June 30, 2020, the Village reported a liability of \$5,201,696 for its proportionate share of the net pension liability. At June 30, 2020, the Village's proportion was 0.7569%, which was unchanged from its proportion measured as of June 30, 2019, due to the insignificance of the difference.

For the year ended June 30, 2020, the Village recognized PERA Fund Division Municipal Fire's pension expense of \$686,327. At June 30, 2020, the Village reported PERA Fund Division Municipal Fire's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Type	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,346	\$ 164,378
Change in assumptions	142,715	8,230
Net difference between projected and actual earnings on pension plan investments	83,184	-
Change in proportion and differences between employer contributions and proportionate share of contributions	121,719	17,309
Village contributions subsequent to measurement date	259,593	-
<b>TOTAL</b>	<b>\$ 695,557</b>	<b>\$ 189,917</b>

\$259,593 was reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date of June 30, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Deferral</u>
2021	\$ 53,147
2022	133,901
2023	45,422
2024	13,577
2025	-
	<u>\$ 246,047</u>

*Actuarial Assumptions*

As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2019 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2019 actuarial valuation.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan (Continued)**

*Actuarial Assumptions (Continued)*

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Actuarial assumptions:	
• Investment rate of return*	7.25% annual rate
• Projected benefit payment	100 years
• Payroll growth	3.00%
• Projected salary increases	3.25% to 13.50% annual rate
• Includes inflation at	
• Projected benefit payment	100 years
• Includes inflation	2.50% 2.75 all other years
• Mortality assumption	RPH-2014 Blue Collar Mortality table with female ages set forward one year.
• Experience Study Dates	July 1, 2008 to June 30, 2018 (demographic) and July 1, 2013 through June 30, 208 (economic)

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

<b>ALL FUNDS</b>	<b>Target</b>	<b>Long-term</b>
<b><u>Asset Class</u></b>	<b><u>Allocation</u></b>	<b><u>Expected</u></b>
		<b>Real Rate of</b>
		<b>Return</b>
Global Equity	42.33%	7.48%
Risk Reduction & Mitigation	21.37%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets	20.00%	6.48%
Multi-Risk Allocation	<u>1.30%</u>	
TOTAL	<u>100.00%</u>	

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**C. PERA Pension Plan (Continued)**

*Discount Rate*

Previously, a select and ultimate rate of return assumption had been adopted for funding purposes, but new economic assumptions were adopted for the June 30, 2019 valuations including the change to a 7.25% static rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Village's net pension liability in each PERA Fund Division that the Village participates in, under the current single rate assumption; as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Division Municipal General	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$ 19,570,922	\$ 12,939,968	\$ 7,453,743

PERA Fund Division Municipal Police	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$ 6,913,846	\$ 4,568,668	\$ 2,655,445

PERA Fund Division Municipal Fire	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	\$ 6,893,870	\$ 5,201,696	\$ 3,814,921

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued fiscal year 2019 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

*Payables to the Pension Plan*

At the June 30, 2020, the Village did not have any outstanding payables to PERA.



STATE OF NEW MEXICO  
 VILLAGE OF RUIDOSO  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**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. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees elect to contribute a 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.

All contributions withheld from the participants' wages by the Village have been paid to the plan administrator. Currently, there are thirty-eight (38) employees participating in the plans. Employee contributions totaled \$107,874 (\$87,375 ICMA and \$20,499 Nationwide) for the year ended June 30, 2020.

**F. Concentrations**

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

**G. Other Significant Commitments**

*Encumbrances*

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

General Fund	\$ 488,043
Major governmental fund	9,393,942
Nonmajor governmental funds	<u>835,778</u>
Total	<u>\$10,717,763</u>

**STATE OF NEW MEXICO**  
**VILLAGE OF RUIDOSO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**H. Tax Abatement**

The Village entered into a property tax abatement agreement with Hotel Ruidoso, LLC (lessee). Under this agreement the Village leases the property on which the lessee built a hotel. An industrial revenue bond was issued to build the hotel. The Village holds legal title to the hotel. In accordance with NMSA 1978 Section 7-36-3A, property interests of a lessee in project property held under a lease from a municipality under authority of an industrial revenue bond are exempt from property taxation for as long as there is an outstanding bonded indebtedness under the terms of the revenue bonds issued for the acquisition of the project property, but in no event for a period of more than thirty years from the date of execution of the first lease of the project to lessee by the municipality.

For the fiscal year ended June 30, 2020, the Village abated property taxes totaling \$8,988 under this program. However, the lessee is still subject to a payment in lieu of taxes (PILOT) payment of \$2,109.

**I. Asset Retirement Obligations**

The Village currently has three (3) underground storage tanks and a wastewater treatment plant that are currently in use and regulated by the New Mexico Environment Department (NMED) under the Federal Environmental Protection Agency (EPA). Currently the storage tanks are permitted under NMED and have useful lives of approximately twenty (20) more years. Disposal fees to abandon the tanks are immaterial to governmental activities. As for the wastewater treatment plant, there are no plans to abandon the membrane bioreactor (MBR) plant which was built in 2011. However, for reporting purposes, the Village has assessed the cost of cementing the basins, demolition of concrete structures above ground, and the disposal of a waste materials and has determined that the cost is immaterial to the RWWTP (business-type activities) financial statements.

**J. Subsequent Events**

The Village has evaluated subsequent events through December 14, 2020, the date which the financial statements were available to be issued. As of the report date, no subsequent events were identified by management.

**K. Recent Accounting Pronouncements**

In May 2020, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB Statements affected are GASB 84, GASB 89, GASB 90, GASB 91, GASB 92, and GASB 93 are deferred one (1) year and GASB 87 is deferred for eighteen (18) months. See Footnote L for more information. The Village has adopted this Statement and revised note disclosures.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**L. Future Accounting Pronouncements**

The following GASB pronouncements have been issued but are not yet effective at June 30, 2020.

In January 2017, GASB Statement No. 84, *Fiduciary Activities*, was issued. The provisions of this Statement establish criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria general is on (1) whether a government is controlling the assets of the fiduciary and activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefits arrangements that are fiduciary activities and is effective for reporting periods after December 15, 2018. The Village is currently reviewing the applicability and potential impact on the financial statements.

In June 2017, GASB Statement No. 87, *Leases*, was issued. The provisions of this Statement improve accounting and financial reporting for leases by governments and is effective for reporting periods after December 15, 2019. The Village is currently reviewing the applicability and potential impact on the financial statements.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued. The provisions of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of the construction period and is effective for reporting periods after December 15, 2019. The Village is currently reviewing the applicability and potential impact on the financial statements.

In August 2018, GASB Statement No. 90, *Majority Equity Interests, an Amendment of GASB Statements No. 14 and No. 61*, was issued. The provisions of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously was reporting inconsistently. In addition, requiring reporting of information about component units if the government acquires 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit and is effective for reporting periods after December 15, 2018. The Village is currently reviewing the applicability and potential impact on the financial statements.

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, was issued. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures and is effective for reporting periods beginning after December 15, 2020. The Village is currently reviewing the applicability and potential impact on the financial statements.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. OTHER INFORMATION (CONTINUED)**

**L. Future Accounting Pronouncements (Continued)**

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and is effective for reporting periods beginning after June 15, 2020. The Village is currently reviewing the applicability and potential impact on the financial statements.

In March 2020, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Some governments have entered into agreements in which variable payments made or received depend on an IBOR, most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021 and is effective for reporting periods beginning after December 31, 2021. The Village is currently reviewing the applicability and potential impact on the financial statements.

In March 2020, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and is effective for reporting periods beginning after June 15, 2021. The Village is currently reviewing the applicability and potential impact on the financial statements.

In May 2020, GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*, was issued. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA and is effective for reporting periods beginning after June 15, 2022. The Village is currently reviewing the applicability and potential impact on the financial statements.

**M. COVID-19**

In early March 2020, the COVID-19 virus was declared a global pandemic and it continues to cause market fluctuations. Business continuity and financial markets, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluation its options during this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2020

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Village's proportion of the net pension liability (asset)	0.31%	0.33%	0.70%	0.70%	0.73%	0.72%	0.00%	0.00%	0.00%	0.00%
Village's proportionate share of the net pension liability (asset)	\$ 10,358	\$ 14,013	\$ 21,066	\$ 17,512	\$ 21,274	\$ 22,710	-	-	-	-
Village's covered payroll	\$ 7,924	\$ 8,601	\$ 8,450	\$ 9,107	\$ 9,203	\$ 9,134	-	-	-	-
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	130.72%	162.92%	249.30%	192.29%	231.16%	248.63%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%	73.74%	71.13%	70.52%	0.00%	0.00%	0.00%	0.00%

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
JUNE 30, 2020

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 905	\$ 973	\$ 1,011	\$ 1,040	\$ 1,074	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>1,240</u>	<u>1,319</u>	<u>1,429</u>	<u>1,412</u>	<u>1,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ (335)</u>	<u>\$ (346)</u>	<u>\$ (418)</u>	<u>\$ (372)</u>	<u>\$ (443)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 7,924	\$ 8,601	\$ 8,450	\$ 9,107	\$ 9,203					
Contributions as a percentage of covered payroll	15.65%	15.34%	16.91%	15.50%	16.48%					

**Increase (Decrease) in Pension Expense over Recognition Periods**

Year	Total											
	Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 3,361	5	\$ -	\$ 840	\$ 840	\$ 840	\$ 839	\$ 2	\$ -	\$ -	\$ -	\$ -
2015	115	5	-	-	(172)	(172)	(172)	631	-	-	-	-
2016	5,733	5	-	-	-	1,379	1,379	2,139	834	2	-	-
2017	1,028	5	-	-	-	-	-	-	-	-	-	-
2018	3,215	5	-	-	-	-	-	-	-	-	-	-
2019	-	5	-	-	-	-	-	-	-	-	-	-
2020	-	5	-	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-	-
	<u>\$ 13,452</u>		<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 668</u>	<u>\$ 2,047</u>	<u>\$ 2,046</u>	<u>\$ 2,772</u>	<u>\$ 834</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
JUNE 30, 2020

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 507	\$ 560	\$ 590	\$ 593	\$ 602	\$ 651	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>752</u>	<u>816</u>	<u>895</u>	<u>866</u>	<u>941</u>	<u>954</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ (245)</u>	<u>\$ (256)</u>	<u>\$ (305)</u>	<u>\$ (273)</u>	<u>\$ (339)</u>	<u>\$ (303)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 5,860	\$ 6,415	\$ 6,210	\$ 6,749	\$ 6,820	\$ 6,777				
Contributions as a percentage of	12.83%	12.72%	14.41%	12.83%	13.80%	14.08%				

**Increase (Decrease) in Pension Expense over Recognition Periods**

Year	Total		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Amount Deferred	Amortization Years										
2014	\$ 2,088	5	\$ -	\$ 522	\$ 522	\$ 522	\$ 522	\$ -	\$ -	\$ -	\$ -	\$ -
2015	(186)	5	-	-	(191)	(191)	(191)	387	-	-	-	-
2016	3,514	5	-	-	-	811	811	1,351	540	1	-	-
2017	1,055	5	-	-	-	-	333	860	95	(233)	-	-
2018	2,272	5	-	-	-	-	-	1,396	590	241	45	-
2019	1,442	5	-	-	-	-	-	-	757	408	205	72
2020	-	5	-	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-	-
	<u>\$ 10,185</u>		<u>\$ -</u>	<u>\$ 522</u>	<u>\$ 331</u>	<u>\$ 1,142</u>	<u>\$ 1,475</u>	<u>\$ 3,994</u>	<u>\$ 1,982</u>	<u>\$ 417</u>	<u>\$ 250</u>	<u>\$ 72</u>

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



STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
JUNE 30, 2020

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 235	\$ 234	\$ 237	\$ 259	\$ 264	\$ 260	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>292</u>	<u>287</u>	<u>304</u>	<u>320</u>	<u>326</u>	<u>61</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ (57)</u>	<u>\$ (53)</u>	<u>\$ (67)</u>	<u>\$ (61)</u>	<u>\$ (62)</u>	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 1,234	\$ 1,303	\$ 1,373	\$ 1,398	\$ 1,376	\$ 1,369				
Contributions as a percentage of	23.66%	22.03%	22.14%	22.89%	23.69%	4.46%				

**Increase (Decrease) in Pension Expense over Recognition Periods**

Year	Total											
	Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 974	5	\$ -	\$ 243	\$ 243	\$ 243	\$ 243	\$ 2	\$ -	\$ -	\$ -	\$ -
2015	78	5	-	-	(26)	(26)	(26)	156	-	-	-	-
2016	1,236	5	-	-	-	280	280	487	189	-	-	-
2017	63	5	-	-	-	-	1	218	(69)	(87)	-	-
2018	635	5	-	-	-	-	-	403	117	99	16	-
2019	224	5	-	-	-	-	-	-	105	85	11	23
2020	-	5	-	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,210</u>		<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 217</u>	<u>\$ 497</u>	<u>\$ 498</u>	<u>\$ 1,266</u>	<u>\$ 342</u>	<u>\$ 97</u>	<u>\$ 27</u>	<u>\$ 23</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF VILLAGE CONTRIBUTIONS  
JUNE 30, 2020

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 163	\$ 179	\$ 184	\$ 188	\$ 208	\$ 218	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>196</u>	<u>216</u>	<u>230</u>	<u>226</u>	<u>250</u>	<u>262</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ (33)</u>	<u>\$ (37)</u>	<u>\$ (46)</u>	<u>\$ (38)</u>	<u>\$ (42)</u>	<u>\$ (44)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 829	\$ 883	\$ 867	\$ 961	\$ 1,007	\$ 987				
Contributions as a percentage of	23.64%	24.46%	26.53%	23.52%	24.83%	26.55%				

**Increase (Decrease) in Pension Expense over Recognition Periods**

Year	Total											
	Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 299	5	\$ -	\$ 75	\$ 75	\$ 75	\$ 74	\$ -	\$ -	\$ -	\$ -	\$ -
2015	223	5	-	-	45	45	45	88	-	-	-	-
2016	983	5	-	-	-	288	288	301	105	1	-	-
2017	(90)	5	-	-	-	-	32	44	(122)	(44)	-	-
2018	308	5	-	-	-	-	-	189	15	95	9	-
2019	246	5	-	-	-	-	-	-	53	134	45	14
2020	-	5	-	-	-	-	-	-	-	-	-	-
2021	-	5	-	-	-	-	-	-	-	-	-	-
2022	-	5	-	-	-	-	-	-	-	-	-	-
2023	-	5	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,969</u>		<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 120</u>	<u>\$ 408</u>	<u>\$ 439</u>	<u>\$ 622</u>	<u>\$ 51</u>	<u>\$ 186</u>	<u>\$ 54</u>	<u>\$ 14</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
JUNE 30, 2020

**Notes to the Required Supplementary Information**

**1. Changes of Benefit Terms**

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 2019 audit available at <http://saonm.org> using the audit search function for agency 366.

**2. Changes of Assumptions**

The PERA Annual Actuarial Valuation as of June 30, 2019 report is available at <http://wwwsaonm.org> using the audit search function for agency 366.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### *SPECIAL REVENUE FUNDS*

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

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

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

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

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

Special Library Fund accounts for resources from grants from the State of New Mexico and private agencies. The funds are to be spent on expenditures associated with the operations of the Village's Library.

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 (Streets) Fund accounts for resources received from the once-cent gasoline tax imposed by Section 7-1-6.27 NMSA 1978. The funds are to be used for the reconstruction, resurfacing, maintaining and repairing, or otherwise improvement of existing or new alleys, streets, roads, or bridges. In addition, the daily operations of the street department are also accounted for in this fund.

Intergovernmental Grants accounts for the resources from various Village governmental grants. These funds are to be spent on expenditures outlined in the grant award. Authority for creation of this fund is approved by Village Council.

Special Recreation Fund accounts for the resources from the recreational activities at Grindstone Lake. After each season reserve funds are to be divided as follows: the Wibit (inflatable playground on the lake) is allocated one-month start up expenditures and the remaining funds are to be divided on a 70/30 basis for Parks and Recreation capital expenditures and watershed projects, respectively.

## NONMAJOR GOVERNMENTAL FUNDS

### *SPECIAL REVENUE FUNDS (CONTINUED)*

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 village limits. Authority for creation of this fund is budget approval by Village Council.

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

### *DEBT SERVICE FUND*

*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.*

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

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

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

### *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.*

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

SPECIAL REVENUE FUNDS

	<u>Correction Fees</u>	<u>Emergency Medical Services</u>	<u>Fire Protection</u>	<u>Law Enforcement Protection</u>	<u>Special Library</u>	<u>Lodgers' Tax</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 105,877	\$ 24,457	\$ 368,876	\$ 4,515	\$ 39,386	\$ 611,398
Investments	-	-	-	-	-	-
Restricted cash and investment:	-	-	-	-	-	-
Receivables, net of allowance	-	-	-	-	-	183,962
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total Assets	<u>\$ 105,877</u>	<u>\$ 24,457</u>	<u>\$ 368,876</u>	<u>\$ 4,515</u>	<u>\$ 39,386</u>	<u>\$ 795,360</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,868	\$ -	\$ 40,812	\$ 2,125	\$ 14,856	\$ 161,368
Accrued liabilities	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>3,868</u>	<u>-</u>	<u>40,812</u>	<u>2,125</u>	<u>14,856</u>	<u>161,368</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue	-	-	-	-	-	-
Unavailable property taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted:						
Public safety	102,009	24,457	328,064	2,390	24,530	-
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	182,243
Assigned:						
Purchases on order	-	-	-	-	-	167,250
Subsequent year's budget; appropriation of fund	-	-	-	-	-	284,499
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>102,009</u>	<u>24,457</u>	<u>328,064</u>	<u>2,390</u>	<u>24,530</u>	<u>633,992</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 105,877</u>	<u>\$ 24,457</u>	<u>\$ 368,876</u>	<u>\$ 4,515</u>	<u>\$ 39,386</u>	<u>\$ 795,360</u>

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, 2020

SPECIAL REVENUE FUNDS

	<u>Municipal Gas Tax</u>	<u>Special Recreation</u>	<u>Inter- governmental Grants</u>	<u>RSVP</u>	<u>DWI</u>	<u>Forestry Operations</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 259,650	\$ 112,320	\$ 215,264	\$ 2,871	\$ 23,506	\$ 11,430
Investments	-	-	-	-	-	-
Restricted cash and investment:	-	-	-	-	-	-
Receivables, net of allowance	21,850	-	156,533	2,083	-	-
Due from other funds	-	-	-	-	-	-
Inventories	259,888	-	-	-	-	-
Prepaid items	230	-	-	-	-	-
Total Assets	<u>\$ 541,618</u>	<u>\$ 112,320</u>	<u>\$ 371,797</u>	<u>\$ 4,954</u>	<u>\$ 23,506</u>	<u>\$ 11,430</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 40,049	\$ 12,368	\$ 99,011	\$ 603	\$ -	\$ 120
Accrued liabilities	16,044	-	-	888	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	28,514	-	-	-
Total Liabilities	<u>56,093</u>	<u>12,368</u>	<u>127,525</u>	<u>1,491</u>	<u>-</u>	<u>120</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue	196,314	-	128,832	-	-	-
Unavailable property taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>196,314</u>	<u>-</u>	<u>128,832</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Inventory	259,888	-	-	-	-	-
Prepaid items	230	-	-	-	-	-
Restricted:						
Public safety	-	-	-	-	23,506	-
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	29,093	99,187	-	3,463	-	-
Assigned:						
Purchases on order	-	765	667,763	-	-	-
Subsequent year's budget; appropriation of fund	-	-	-	-	-	30,000
Unassigned	-	-	(552,323)	-	-	(18,690)
Total Fund Balances (Deficits)	<u>289,211</u>	<u>99,952</u>	<u>115,440</u>	<u>3,463</u>	<u>23,506</u>	<u>11,310</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 541,618</u>	<u>\$ 112,320</u>	<u>\$ 371,797</u>	<u>\$ 4,954</u>	<u>\$ 23,506</u>	<u>\$ 11,430</u>

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, 2020

	Subtotal Special Revenue Funds	DEBT SERVICE FUNDS			Subtotal Debt Service Funds	CAPITAL PROJECT FUND GO Bond
		Revenue Bonds	NMFA Loans	GO Bonds		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,779,550	\$ 9,636	\$ 16,744	\$ 73,379	\$ 99,759	\$ -
Investments	-	-	-	-	-	-
Restricted cash and investment:	-	-	119,600	668,938	788,538	2,669,787
Receivables, net of allowance	364,428	-	-	-	-	4,386
Due from other funds	-	-	-	-	-	-
Inventories	259,888	-	-	-	-	-
Prepaid items	230	-	-	-	-	-
Total Assets	<u>\$ 2,404,096</u>	<u>\$ 9,636</u>	<u>\$ 136,344</u>	<u>\$ 742,317</u>	<u>\$ 888,297</u>	<u>\$ 2,674,173</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 375,180	\$ -	\$ -	\$ -	\$ -	\$ 248,646
Accrued liabilities	16,932	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	28,514	-	-	-	-	-
Total Liabilities	<u>420,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,646</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue	325,146	-	-	-	-	-
Unavailable property taxes	-	-	-	48,429	48,429	-
Total Deferred Inflows of Resources	<u>325,146</u>	<u>-</u>	<u>-</u>	<u>48,429</u>	<u>48,429</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Inventory	259,888	-	-	-	-	-
Prepaid items	230	-	-	-	-	-
Restricted:						
Public safety	504,956	-	-	-	-	-
Capital projects	-	-	-	-	-	2,425,527
Debt service	-	9,636	136,344	693,888	839,868	-
Other purposes	313,986	-	-	-	-	-
Assigned:						
Purchases on order	835,778	-	-	-	-	-
Subsequent year's budget; appropriation of fund	314,499	-	-	-	-	-
Unassigned	(571,013)	-	-	-	-	-
Total Fund Balances (Deficits)	<u>1,658,324</u>	<u>9,636</u>	<u>136,344</u>	<u>693,888</u>	<u>839,868</u>	<u>2,425,527</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 2,404,096</u>	<u>\$ 9,636</u>	<u>\$ 136,344</u>	<u>\$ 742,317</u>	<u>\$ 888,297</u>	<u>\$ 2,674,173</u>

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, 2020

	<u>Total Non Major Governmental Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,879,309
Investments	-
Restricted cash and investments	3,458,325
Receivables, net of allowance	368,814
Due from other funds	-
Inventories	259,888
Prepaid items	230
Total Assets	<u>\$ 5,966,566</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 623,826
Accrued liabilities	16,932
Deposits payable	-
Due to other funds	28,514
Total Liabilities	<u>669,272</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenue	325,146
Unavailable property taxes	48,429
Total Deferred Inflows of Resources	<u>373,575</u>
<b>FUND BALANCES (DEFICITS)</b>	
Nonspendable:	
Inventory	259,888
Prepaid items	230
Restricted:	
Public safety	504,956
Capital projects	2,425,527
Debt service	839,868
Other purposes	313,986
Assigned:	
Purchases on order	835,778
Subsequent year's budget; appropriation of fund	314,499
Unassigned	<u>(571,013)</u>
Total Fund Balances (Deficits)	<u>4,923,719</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	 <u>\$ 5,966,566</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Correction Fees	Emergency Medical Services	Fire Protection	Law Enforcement Protection	Special Library	Lodgers' Tax
<b>REVENUES</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-
Other	-	-	-	-	-	1,863,768
Intergovernmental:						
Federal grants	-	-	-	-	-	-
State grants	-	12,276	418,670	33,200	9,404	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	39,615	-	-	-	-	-
Investment earnings	-	-	262	-	-	2,279
Miscellaneous	-	-	69	-	20,625	-
Total Revenues	<u>39,615</u>	<u>12,276</u>	<u>419,001</u>	<u>33,200</u>	<u>30,029</u>	<u>1,866,047</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	18,829	10,372	107,840	33,082	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	11,483	1,006,569
Health and welfare	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	300,672	-	20,022	589,812
Total Expenditures	<u>18,829</u>	<u>10,372</u>	<u>408,512</u>	<u>33,082</u>	<u>31,505</u>	<u>1,596,381</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,786</u>	<u>1,904</u>	<u>10,489</u>	<u>118</u>	<u>(1,476)</u>	<u>269,666</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(88,595)	-	-	(268,878)
Proceeds from debt issuance	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(88,595)</u>	<u>-</u>	<u>-</u>	<u>(268,878)</u>
Net Change in Fund Balances	20,786	1,904	(78,106)	118	(1,476)	788
Fund Balances, Beginning of Year	<u>81,223</u>	<u>22,553</u>	<u>406,170</u>	<u>2,272</u>	<u>26,006</u>	<u>633,204</u>
Fund Balances, End of Year	<u>\$ 102,009</u>	<u>\$ 24,457</u>	<u>\$ 328,064</u>	<u>\$ 2,390</u>	<u>\$ 24,530</u>	<u>\$ 633,992</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<b>SPECIAL REVENUE FUNDS</b>					
	<u>Municipal Gas Tax</u>	<u>Special Recreation</u>	<u>Inter- governmental Grants</u>	<u>RSVP</u>	<u>DWI</u>	<u>Forestry Operations</u>
<b>REVENUES</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-
Other	122,755	-	-	-	-	-
Intergovernmental:						
Federal grants	-	-	104,125	4,224	-	-
State grants	586,641	-	235,893	35,000	196,535	69,332
Licenses and permits	-	9,953	-	-	-	-
Charges for services	93,655	215,345	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	2,103	-	-	-	-
Total Revenues	<u>803,051</u>	<u>227,401</u>	<u>340,018</u>	<u>39,224</u>	<u>196,535</u>	<u>69,332</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	173,587	-
Public works	1,836,434	-	-	-	-	171,537
Culture and recreation	-	98,268	-	4,224	-	-
Health and welfare	-	-	-	50,958	-	-
Debt service:						
Principal	33,150	-	-	-	-	-
Interest	4,985	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	80,133	364,249	-	-	-
Total Expenditures	<u>1,874,569</u>	<u>178,401</u>	<u>364,249</u>	<u>55,182</u>	<u>173,587</u>	<u>171,537</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,071,518)</u>	<u>49,000</u>	<u>(24,231)</u>	<u>(15,958)</u>	<u>22,948</u>	<u>(102,205)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,184,472	35,000	44,004	15,490	-	-
Transfers out	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>1,184,472</u>	<u>35,000</u>	<u>44,004</u>	<u>15,490</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	112,954	84,000	19,773	(468)	22,948	(102,205)
Fund Balances, Beginning of Year	<u>176,257</u>	<u>15,952</u>	<u>95,667</u>	<u>3,931</u>	<u>558</u>	<u>113,515</u>
Fund Balances, End of Year	<u>\$ 289,211</u>	<u>\$ 99,952</u>	<u>\$ 115,440</u>	<u>\$ 3,463</u>	<u>\$ 23,506</u>	<u>\$ 11,310</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL <u>REVENUE FUND</u>	Subtotal Special Revenue Funds	<u>DEBT SERVICE FUNDS</u>			Subtotal Debt Service Funds
	Traffic Safety Fees		Revenue Bonds	NMFA Loans	GO Bonds	
<b>REVENUES</b>						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ 820,476	\$ 820,476
Gross receipts	-	-	-	-	-	-
Other	-	1,986,523	-	-	-	-
Intergovernmental:						
Federal grants	-	108,349	-	-	-	-
State grants	-	1,596,951	-	-	-	-
Licenses and permits	-	9,953	-	-	-	-
Charges for services	-	309,000	-	-	-	-
Fines and forfeitures	-	39,615	-	-	-	-
Investment earnings	-	2,541	-	4,268	15,518	19,786
Miscellaneous	-	22,797	-	-	-	-
Total Revenues	<u>-</u>	<u>4,075,729</u>	<u>-</u>	<u>4,268</u>	<u>835,994</u>	<u>840,262</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	7,667	7,667
Public safety	-	343,710	-	-	-	-
Public works	-	2,007,971	-	-	-	-
Culture and recreation	-	1,120,544	-	-	-	-
Health and welfare	-	50,958	-	-	-	-
Debt service:						
Principal	-	33,150	150,000	147,316	715,000	1,012,316
Interest	-	4,985	114,400	57,795	102,556	274,751
Bond issuance costs	-	-	-	-	46,248	46,248
Capital outlay	<u>-</u>	<u>1,354,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>4,916,206</u>	<u>264,400</u>	<u>205,111</u>	<u>871,471</u>	<u>1,340,982</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(840,477)</u>	<u>(264,400)</u>	<u>(200,843)</u>	<u>(35,477)</u>	<u>(500,720)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	1,278,966	264,400	203,637	-	468,037
Transfers out	-	(357,473)	-	-	(1,529,248)	(1,529,248)
Proceeds from debt issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
Net Other Financing Sources (Uses)	<u>-</u>	<u>921,493</u>	<u>264,400</u>	<u>203,637</u>	<u>(29,248)</u>	<u>438,789</u>
Net Change in Fund Balances	-	81,016	-	2,794	(64,725)	(61,931)
Fund Balances, Beginning of Year	<u>-</u>	<u>1,577,308</u>	<u>9,636</u>	<u>133,550</u>	<u>758,613</u>	<u>901,799</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 1,658,324</u>	<u>\$ 9,636</u>	<u>\$ 136,344</u>	<u>\$ 693,888</u>	<u>\$ 839,868</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>CAPITAL</u> <u>PROJECT FUND</u>	<u>Total</u> <u>Non Major</u> <u>Governmental</u> <u>Funds</u>
	<u>GO Bond</u>	
<b>REVENUES</b>		
Taxes:		
Property	\$ -	\$ 820,476
Gross receipts	-	-
Other	-	1,986,523
Intergovernmental:		
Federal grants	-	108,349
State grants	75,584	1,672,535
Licenses and permits	-	9,953
Charges for services	-	309,000
Fines and forfeitures	-	39,615
Investment earnings	77,953	100,280
Miscellaneous	(22,770)	27
Total Revenues	<u>130,767</u>	<u>5,046,758</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	7,667
Public safety	-	343,710
Public works	-	2,007,971
Culture and recreation	-	1,120,544
Health and welfare	-	50,958
Debt service:		
Principal	-	1,045,466
Interest	-	279,736
Bond issuance costs	-	46,248
Capital outlay	<u>1,610,112</u>	<u>2,965,000</u>
Total Expenditures	<u>1,610,112</u>	<u>7,867,300</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,479,345)</u>	<u>(2,820,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	1,529,248	3,276,251
Transfers out	-	(1,886,721)
Proceeds from debt issuance	-	1,500,000
Net Other Financing Sources (Uses)	<u>1,529,248</u>	<u>2,889,530</u>
Net Change in Fund Balances	49,903	68,988
Fund Balances, Beginning of Year	<u>2,375,624</u>	<u>4,854,731</u>
Fund Balances, End of Year	<u>\$ 2,425,527</u>	<u>\$ 4,923,719</u>

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

*This page is intentionally blank.*



## NONMAJOR PROPRIETARY FUNDS

### *ENTERPRISE FUNDS*

*Enterprise Funds are used to report the same functions presented as business-type activities.*

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 services.

The *Radio Station Enterprise Fund* accounts for the activities of the KRUI-The Mountain Radio Station, including administration, operations, maintenance, and billing and collection services.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES		
	Airport	Radio Station	Total
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 45,976	\$ 6,810	\$ 52,786
Investments	-	-	-
Restricted cash and investments	-	-	-
Receivables, net of allowance	14,684	-	14,684
Due from other funds	-	-	-
Inventories	65,994	-	65,994
Prepaid expenses	331	-	331
Total Current Assets	<u>126,985</u>	<u>6,810</u>	<u>133,795</u>
Noncurrent Assets			
Capital assets:			
Land	1,100,000	-	1,100,000
Construction in progress	-	-	-
Infrastructure	-	-	-
Buildings and improvements	6,182,396	-	6,182,396
Machinery and equipment	779,029	-	779,029
Vehicles	980,763	-	980,763
Less: accumulated depreciation	<u>(4,786,438)</u>	<u>-</u>	<u>(4,786,438)</u>
Total Noncurrent Assets	<u>4,255,750</u>	<u>-</u>	<u>4,255,750</u>
Total Assets	<u>4,382,735</u>	<u>6,810</u>	<u>4,389,545</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	2,615	628	3,243
Accrued liabilities	4,178	1,072	5,250
Deposits payable	-	-	-
Due to other funds	-	-	-
Accrued interest	-	-	-
Bonds and loans payable	-	-	-
Compensated absences	777	-	777
Unearned revenue	<u>11,338</u>	<u>-</u>	<u>11,338</u>
Total Current Liabilities	<u>18,908</u>	<u>1,700</u>	<u>20,608</u>
Noncurrent Liabilities			
Compensated absences	8,934	-	8,934
Bonds and notes payable	-	-	-
Net pension obligation	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>8,934</u>	<u>-</u>	<u>8,934</u>
Total Liabilities	<u>27,842</u>	<u>1,700</u>	<u>29,542</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2020

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>Airport</b>	<b>Radio Station</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	4,255,750	-	4,255,750
Restricted	-	-	-
Unrestricted	99,143	5,110	104,253
Total Net Position	\$ 4,354,893	\$ 5,110	\$ 4,360,003

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>Airport</u>	<u>Radio Station</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 712,589	\$ -	\$ 712,589
Intergovernmental - State	10,000	-	10,000
Miscellaneous	230,438	-	230,438
Total Revenues	<u>953,027</u>	<u>-</u>	<u>953,027</u>
<b>OPERATING EXPENSES</b>			
Current:			
Personnel services	244,384	3,124	247,508
Materials and supplies	496,378	4,993	501,371
Repairs and maintenance	26,145	2,115	28,260
Utilities	46,335	298	46,633
Contractual services	88,555	4,360	92,915
Depreciation expense	417,732	-	417,732
Total Expenditures	<u>1,319,529</u>	<u>14,890</u>	<u>1,334,419</u>
Operating Income/(loss)	<u>(366,502)</u>	<u>(14,890)</u>	<u>(381,392)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gross receipts taxes	-	-	-
Intergovernmental:			
Federal grants	-	-	-
State grants	85,061	-	85,061
Investment earnings	-	-	-
Premium on the issuance of debt	-	-	-
Gain (loss) on disposal of assets	-	-	-
Debt service:			
Interest	-	-	-
Bond issuance costs	-	-	-
Net Nonoperating Revenues	<u>85,061</u>	<u>-</u>	<u>85,061</u>
Income Before Transfers	<u>(281,441)</u>	<u>(14,890)</u>	<u>(296,331)</u>
<b>NET TRANSFERS</b>			
Transfers in	-	20,000	20,000
Transfers out	(51,404)	-	(51,404)
Net Transfers	<u>(51,404)</u>	<u>20,000</u>	<u>(31,404)</u>
Net Change in Net Position	(332,845)	5,110	(327,735)
Net Position, Beginning of Year	<u>4,687,738</u>	<u>-</u>	<u>4,687,738</u>
Net Position, End of Year	<u>\$ 4,354,893</u>	<u>\$ 5,110</u>	<u>\$ 4,360,003</u>

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
COMBINING STATEMENTS OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>Airport</u>	<u>Radio Station</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 940,238	\$ -	\$ 940,238
Cash received from operational grants	10,000	-	10,000
Cash received from (paid to) other funds for services	-	-	-
Cash paid to suppliers for goods and services	(635,866)	(11,138)	(647,004)
Cash paid on behalf of employees for retirement	-	-	-
Cash paid to employees for salaries and benefits	(254,237)	(2,052)	(256,289)
Net Cash Provided by (Used for) Operating Activities	<u>60,135</u>	<u>(13,190)</u>	<u>46,945</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash received from taxes	-	-	-
Operating subsidies from (to) other funds	(51,404)	20,000	(31,404)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(51,404)</u>	<u>20,000</u>	<u>(31,404)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(94,512)	-	(94,512)
Proceeds from the issuance of debt	-	-	-
Capital grants	85,061	-	85,061
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(9,451)</u>	<u>-</u>	<u>(9,451)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(720)	6,810	6,090
Cash and Cash Equivalents, Beginning of Year	46,696	-	46,696
Cash and Cash Equivalents, End of Year	<u>\$ 45,976</u>	<u>\$ 6,810</u>	<u>\$ 52,786</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operation income (loss)	\$ (366,502)	\$ (14,890)	\$ (381,392)
Adjustments to reconcile net operating income to net cash provided by operating activities:			
Depreciation	417,732	-	417,732
(Increase) decrease in accounts receivable	(7,421)	-	(7,421)
Increase (decrease) in allowance for doubtful	-	-	-
(Increase) decrease in inventories	60,660	-	60,660
(Increase) decrease in prepaid items	(17)	-	(17)
(Increase) decrease in deferred outflows	-	-	-
Increase (decrease) in accounts payable	(39,096)	628	(38,468)
Increase (decrease) in accrued wages and taxes	(1,461)	1,072	(389)
Increase (decrease) in meter deposits	-	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	(8,392)	-	(8,392)
Increase (decrease) in unearned revenue	4,632	-	4,632
Increase (decrease) in deferred inflows	-	-	-
Increase (decrease) in net pension liability	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 60,135</u>	<u>\$ (13,190)</u>	<u>\$ 46,945</u>

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

## FIDUCIARY (AGENCY) FUNDS

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

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

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

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2020

<u>APPEARANCE BONDS</u>	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 909	\$ 935	\$ 1,509	\$ 335
Total Assets	<u>\$ 909</u>	<u>\$ 935</u>	<u>\$ 1,509</u>	<u>\$ 335</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Special projects payable	<u>909</u>	<u>935</u>	<u>1,509</u>	<u>335</u>
Total Liabilities	<u>\$ 909</u>	<u>\$ 935</u>	<u>\$ 1,509</u>	<u>\$ 335</u>
<b><u>SPECIAL GIFTS</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 170,315	\$ 77,486	\$ 40,966	\$ 206,835
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 170,315</u>	<u>\$ 77,486</u>	<u>\$ 40,966</u>	<u>\$ 206,835</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,587	\$ 51,634	\$ 40,571	\$ 12,650
Due to other funds	-	-	-	-
Special projects payable	<u>168,728</u>	<u>83,922</u>	<u>58,465</u>	<u>194,185</u>
Total Liabilities	<u>\$ 170,315</u>	<u>\$ 135,556</u>	<u>\$ 99,036</u>	<u>\$ 206,835</u>
<b><u>TOTAL</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 171,224	\$ 78,421	\$ 42,475	\$ 207,170
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 171,224</u>	<u>\$ 78,421</u>	<u>\$ 42,475</u>	<u>\$ 207,170</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,587	\$ 51,634	\$ 40,571	\$ 12,650
Due to other funds	-	-	-	-
Special projects payable	<u>169,637</u>	<u>84,857</u>	<u>59,974</u>	<u>194,520</u>
Total Liabilities	<u>\$ 171,224</u>	<u>\$ 136,491</u>	<u>\$ 100,545</u>	<u>\$ 207,170</u>

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

*This page is intentionally blank.*



**NEW MEXICO STATE AUDITOR DISCLOSURES**

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL  
JUNE 30, 2020

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
<b>WELLS FARGO, NEW MEXICO</b>				
New General Operations	Checking	\$ 7,033,823	\$ (284,477)	6,749,346
FEMA Fund	Checking	22,322,183	-	22,322,183
Bail Bond Trust Fund	Checking	335	-	335
Village of Ruidoso	Savings	<u>9,524,968</u>	<u>-</u>	<u>9,524,968</u>
Municipality of Ruidoso		38,881,309	<u>\$ (284,477)</u>	<u>\$ 38,596,832</u>
Less: FDIC coverage		<u>250,000</u>		
Uninsured Public Funds		38,631,309		
Less: Pledged collateral held by the pledging financial institution		<u>(43,368,263)</u>		
Over insured and over collateralized		<u>\$ (4,736,954)</u>		
Collateral requirement - 50% of uninsured funds		\$ 19,315,655		
Less: Pledged security		<u>43,368,263</u>		
Over Collateral Requirement		<u>\$ (24,052,608)</u>		

Pledge Description	Maturity	CUSIP	Fair Market Value	Location of Safekeeper
FMAC FEPC 3.500%	12/01/2045	3132A5EP6	\$ 6,853,806	
FMAC FEPC 3.500%	05/01/2047	3132A5G25	8,238,323	
PNMAFNMS 3.500%	03/01/2042	3138ANQQ9	237,807	Bank of New York Mellon, New York, NY
FNMA FNMS 3.500%	07/01/2043	3138X0ZQ4	8,674,596	
FNMA FNMS 3.500%	09/01/2035	31418BUN4	17,318,085	
FNMA FNMS 3.000%	02/01/2047	31418CGE8	<u>2,045,646</u>	
			<u>\$ 43,368,263</u>	

**WELLS FARGO BROKERAGE\***

General Operations	Money Market	\$ 3,842,877	\$ -	\$ 3,842,877
General Operations**	CDs	22,683,433	-	22,683,433
General Operations	Municipal Securities	1,082,722	-	1,082,722
General Operations	Treasury Notes	<u>763,075</u>	<u>-</u>	<u>763,075</u>
Municipality of Ruidoso		<u>\$ 28,372,107</u>	<u>\$ -</u>	<u>\$ 28,372,107</u>

**BANK OF ALBUQUERQUE - NMFA\***

Village of Ruidoso - Fire Truck Loan	Cash Deposit	\$ 1,092	\$ -	\$ 1,092
Village of Ruidoso - Convention Center Loan	Cash Deposit	135,252	-	135,252
Village of Ruidoso - General Obligation Bonds	Cash Deposit	<u>668,938</u>	<u>-</u>	<u>668,938</u>
Municipality of Ruidoso		<u>\$ 805,282</u>	<u>\$ -</u>	<u>\$ 805,282</u>

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

\*\*The Village holds eighty-nine (89) CDs with corresponding FDIC insurance of \$250,000 per CD. Therefore, these balances are insured for \$22,250,000.

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, 2020

Financial Institution/Account Name	Deposit Type	Bank Balance	Reconciling Items	Reconciled Balance
<b>TOTAL FINANCIAL INSTITUTIONS</b>				
Village of Ruidoso	Checking	\$ 29,356,341	\$ (284,477)	\$ 29,071,864
Village of Ruidoso	Savings	9,524,968	-	9,524,968
Village of Ruidoso	Cash Deposit	805,282	-	805,282
Village of Ruidoso	Money Market	3,842,877	-	3,842,877
Village of Ruidoso	CDs	22,683,433	-	22,683,433
Village of Ruidoso	Municipal Securities	1,082,722	-	1,082,722
Village of Ruidoso	Treasury Notes	763,075	-	763,075
Municipality of Ruidoso		68,058,698	<u>\$ (284,477)</u>	<u>\$ 67,774,221</u>
Less: Wells Fargo Brokerage		28,372,107		
Less: NMFA		805,282		
		<u>38,881,309</u>		
Less: FDIC coverage		250,000		
Uninsured Public Funds		38,631,309		
Less: Pledged collateral held by the pledging financial institution		<u>(43,368,263)</u>		
Over insured and over collateralized		<u>\$ (4,736,954)</u>		
Collateral requirement - 50% of uninsured funds		\$ 19,315,655		
Less: Pledged security		<u>(43,368,263)</u>		
Over Collateral Requirement		<u>\$ (24,052,608)</u>		

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, 2020

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

<u>Begin Date</u>	<u>End Date</u>	<u>Estimated Amount of Project</u>	<u>Amount Contributed in Fiscal year</u>	<u>Audit Responsibility</u>	<u>Fiscal Agent</u>	<u>Name of Governmental Agency Reporting Revenue &amp; Expense</u>
02/23/2010	Indefinitely	N/A	N/A	None	None	Both
10/01/2009	Until Complete	N/A	N/A	None	None	Both
07/01/2010	Indefinitely	N/A	N/A	Both	None	Both
12/01/2011	Indefinitely	N/A	N/A	None	None	Both
02/28/2012	Indefinitely	N/A	N/A	Both	None	Both
06/04/2008	Indefinitely	N/A	N/A	None	None	Both
09/01/2009	Indefinitely	N/A	N/A	None	None	Both
04/28/2009	Indefinitely	N/A	N/A	None	None	Both
07/03/1974	Indefinitely	N/A	\$2,883,022	Village of Ruidoso	Village of Ruidoso	Village of Ruidoso
07/01/2009	Indefinitely	N/A	\$28,000	City of Ruidoso Downs	City of Ruidoso Downs	City of Ruidoso Downs
06/14/2011	Indefinitely	N/A	N/A	None	None	Both
07/14/2018	Indefinitely	N/A	\$0	Village of Ruidoso	Village of Ruidoso	Village of Ruidoso
05/12/2020	Indefinitely	\$6,402,249	\$0	Village of Ruidoso	Village of Ruidoso	Village of Ruidoso

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

*This page is intentionally blank.*

## COMPLIANCE SECTION

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

Brian S. Colón, Esq  
New Mexico State Auditor  
And  
The Village Council  
Village of Ruidoso, New Mexico

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the Village of Ruidoso (Village) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 14, 2020.

***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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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.

*Pattillo, Brown & Hill, LLP*

Pattillo, Brown & Hill, LLP  
Albuquerque New Mexico  
December 14, 2020

---

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Brian S. Colón, Esq.  
New Mexico State Auditor  
And  
The Village Council  
Village of Ruidoso, New Mexico

***Report on Compliance for Each Major Federal Program***

We have audited the Village of Ruidoso's (Village) compliance with the types of compliance requirements described in the *OMB 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

---

**OFFICE LOCATIONS**

**TEXAS** | Waco | Temple | Hillsboro | Houston  
**NEW MEXICO** | Albuquerque

### ***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, 2020.

### ***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 the Uniform Guidance, 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 were not 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Pattillo, Brown & Hill, LLP*

Pattillo, Brown & Hill, LLP  
Albuquerque, New Mexico  
December 14, 2020

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CDFA Number	Grant Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed through the State of New Mexico Homeland Security Department</i>			
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1783-DR-NM	\$ 4,738,649
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through the State of New Mexico Department of Transportation</i>			
Highway Planning and Construction	20.205	CN2104211	87,507
Highway Planning and Construction	20.205	RT20030	4,486
Highway Planning and Construction	20.205	RT20040	9,229
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
<i>Passed through the State of New Mexico Aging and Long-term Services Department</i>			
Retired and Senior Volunteer Program	94.002	FY2020	4,224
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through the State of New Mexico Department of Transportation</i>			
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	19-AL-64-084	6,864
Minimum Penalties for Repeat Offenders for Driving while Intoxicated	20.608	20-AL-64-084	4,544
<b>U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ASSOCIATION</b>			
Economic Adjustment Assistance	11.307	08-79-005105	<u>12,745</u>
Total Expenditures of Federal Awards			<u>\$ 4,868,248</u>

**Notes to Schedule of Expenditures of Federal Awards**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Village of Ruidoso (the Village) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Village.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**3. De Minimis Indirect Cost Rate.**

The Village has elected not to use the ten percent (10%) de minimis indirect cost rate allowed under the Uniform Guidance.

**4. Subrecipients**

There were no awards passed through to subrecipients.

**Reconciliation of Schedule of Federal Expenditures to Financial Statements**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 4,868,248
Total expenditures funded by other sources	<u>32,353,545</u>
Total expenditures and expenses per page 19	<u>\$ 37,221,793</u>

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

STATE OF NEW MEXICO  
 VILLAGE OF RUIDOSO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2020

**A. SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting: Material Weakness reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs: Material weaknesses reported?	No
Significant deficiencies reported not considered to be material weaknesses?	None
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 Uniform Guidance?	No
Identification of major programs: Disaster Grants – CFDA #97.036	
Dollar threshold used to distinguish Between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

**B. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**D. COMMENTS INCLUDED IN ACCORDANCE WITH NEW MEXICO  
STATE AUDITOR RULE**

No matters were reported.

**E. STATUS OF PRIOR YEAR FINDINGS**

No matters were reported.

STATE OF NEW MEXICO  
VILLAGE OF RUIDOSO  
REQUIRED DISCLOSURE  
FOR THE YEAR ENDED JUNE 30, 2020

**Prepared Financial Statements**

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

**Exit Conference**

The contents of this report were discussed on December 14, 2020. The following individuals were in attendance.

**VILLAGE OF RUIDOSO**

Lynn Crawford, Mayor  
Timothy Dodge, Village Manager  
Ron Sena, Deputy Village Manager  
Judi Starkovich, CPA, Finance Director  
Karen Gutierrez, Asst. Finance Director

**PATILLO, BROWN, & HILL**

Chris Garner, CPA, Partner