

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

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VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
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**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Official Roster
June 30, 2020**

TIDD BOARD

Neal King Board Chair
Ashley Leach Vice Chair, DFA Appointed
Chaz Rockey Board Member/Co-Treasurer
Nancy Grabowski Co-Treasurer/Non-Voting
Richard Duffy Board Member
Thomas Wittman..... Board Member

FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITORS' REPORT

Brian Colón, ESQ
New Mexico State Auditor
Santa Fe, New Mexico
and
Village of Taos Ski Valley
Tax Increment Development District Board
Taos Ski Valley, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the budgetary comparison of the general fund of the Village of Taos Ski Valley Tax Increment Development District, New Mexico (TIDD), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the TIDD's basic financial statements as listed in the table of contents.

Management's Responsibility

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 responsibility 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 an opinion 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 with the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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 auditor's opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the budgetary comparison for the general fund of the TIDD, as of June 30, 2020, and the respective changes in financial position 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 12-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TIDD's basic financial statements. Schedule I and Schedule II required by 2.2.2 NMAC, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

Schedule I and Schedule II 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, Schedule I and Schedule II required by 2.2.2 NMAC, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2020 on our consideration of the TIDD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the TIDD's internal control over financial reporting and compliance.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

October 21, 2020

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REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Introduction

As Management of the Village of Taos Ski Valley Tax Increment Development District (TIDD), we offer readers of the TIDD's financial statements this narrative overview and analysis of the financial activities of the TIDD for the fiscal year ending June 30, 2020. We encourage readers to consider the financial information presented here in conjunction with the financial statements and accompanying notes which follow this section.

The TIDD is a political subdivision of the State of New Mexico duly created and existing pursuant to Tax Increment for Development Act (Act), Sections 5-15-1 through 5-15-28 NMSA 1978, as amended and Village of Taos Ski Valley (Village) Resolution No. 2015-274.

The TIDD is governed by the TIDD Board, consisting of five voting members and one nonvoting member. The Board has control over and management supervision of all affairs of the TIDD.

The purpose of the TIDD, pursuant to the Resolution of the Village that formed the TIDD, is to provide financing of the infrastructure improvements set forth in the Tax Increment Development Plan that was approved by the Village as required pursuant to the Act and the Master Development Agreement among the TIDD, the Village and the developer, Taos Ski Valley, Inc. as agent for Twining Development, LLC and Santander Holdings, LLC.

Financial Highlights

- In the Statement of Net Position, the TIDD's assets exceeded liabilities by \$3,799,665 (net position)
- In the Statement of Activities, the gross receipts tax increment amounted to \$1,770,703 which represents an increase of \$333,299 over fiscal year 2019.
- Ad valorem tax increment amounted to \$177,708 which represents an increase of \$2,078 over fiscal year 2019.
- In the Statement of Activities, the TIDD's expenses were \$23,890. The primary expenses of the TIDD were for administrative expenses and contractual expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the TIDD's basic financial statements. The TIDD's basic financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The statement of net position presents information on all of the TIDD's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the TIDD is improving or deteriorating.

The statement of activities presents information showing how the TIDD's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the TIDD's activities are presented in the following category:

Governmental activities – Governmental activities include the TIDD's basic activities for the financing of certain public infrastructure improvements as provided in the Act and the governing documents of the TIDD, including the Master Development Agreement among the TIDD, the developer and the Village.

In the 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 TIDD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 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 evaluating the TIDD'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. 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 reconciliations are part of the basic financial statements and presented as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as part of the basic financial statements as listed in the table of contents.

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a TIDD's financial position. The TIDD's assets exceed liabilities by \$3,799,665 as of June 30, 2020. This represents an increase in the current year of \$1,942,106, primarily due to the accumulation of cash and no reimbursement of expenditures to the developer in the fiscal year under the TIDD operating plan.

The TIDD was formed, and may reimburse the developer, for the design and construction of infrastructure (consisting of streets, drainage, landscaping, water and wastewater improvements, gas line and other improvements). Overall activities in the current year are similar to those in the prior year as the TIDD is new and currently accumulating assets to reimburse for expenditures in future years.

The following table presents the condensed net position as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current Assets	\$ 3,802,436	1,864,892
Current Liabilities	(2,771)	(7,333)
Net position	<u><u>\$ 3,799,665</u></u>	<u><u>1,857,559</u></u>

Changes in net position. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Expenses:		
General government	\$ 23,890	39,381
Total expense	<u>23,890</u>	<u>39,381</u>
General revenues		
Gross receipts	1,770,703	1,473,404
Ad valorem	177,708	175,630
Interest income	17,585	1,318
Total general revenues	<u><u>1,965,996</u></u>	<u><u>1,650,352</u></u>
Change in net position	<u><u>\$ 1,942,106</u></u>	<u><u>1,610,971</u></u>

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Financial Analysis of the Government's Funds

The TIDD's revenues in the governmental fund amounted to \$1,965,996 while expenditures amounted to \$23,890. The major expenditures of the TIDD were administrative expenditures.

The TIDD's main sources of revenues for the fiscal year ended June 30, 2020 were gross receipts tax increment and ad valorem tax increment. The Village of Taos Ski Valley, New Mexico has dedicated 75% of its gross receipts tax increment and the state of New Mexico dedicated 50% of the state's portion of gross receipts tax increment. The Village of Taos Ski Valley has dedicated 75% of its ad valorem tax increment and Taos County has dedicated 35% of its ad valorem tax increment. As this TIDD is relatively new, it is not possible at this time to determine what effect it will have on commercial activities within the Village of Taos Ski Valley Tax Increment Development District.

General Fund Budgetary Highlights

The TIDD adopts an annual budget, which projects the expected expenditures (based on administrative expenses and construction expenditure reimbursement) and the estimated gross receipts tax increments for each year. There were no changes in the original budget for the fiscal year 2020.

Capital Assets and Debt Administration

The TIDD owns no significant capital assets as of June 30, 2020. It is anticipated that the TIDD will not, in the future, own any capital assets. The capital improvements completed by the developer that are to be financed by the TIDD are all to be dedicated to the Village. It is anticipated that all dedications will be done by the developer directly to the Village, on behalf of the TIDD.

The TIDD has no debt as of June 30, 2020.

Requests for Information

This narrative overview and analysis of the financial activities of the TIDD for the fiscal year ending June 30, 2020 is designed to give its readers a general overview of the TIDD's finances. Questions regarding any information contained in this report or requests for additional information should be addressed to the Co-Treasurer of the Village of Taos Ski Valley Tax Increment Development District, Nancy Grabowski, Village of Taos Ski Valley, P.O. Box 100, 7 Firehouse Rd., Taos Ski Valley, NM, 87525.

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BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Statement of Net Position
June 30, 2020**

Exhibit A-1

	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 3,581,138
Receivables:	
Ad Valorem receivables	444
GRT Receivables	220,854
Total assets	\$ 3,802,436
Liabilities	
Current Liabilities	
Accounts payable	\$ 2,771
Total Liabilities	2,771
Net Position	
Restricted	3,799,665
Total net position	3,799,665
Total liabilities and net position	\$ 3,802,436

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Statement of Activities
For the Year Ended June 30, 2020**

Exhibit A-2

		Net (Expense) Revenue and Changes in Net Position
	Expenses	Government Activities
PRIMARY GOVERNMENT		
Governmental Activities		
General government	\$ 23,890	\$ (23,890)
Total Governmental Activities	\$ 23,890	(23,890)
General Revenues		
Gross Receipts		1,770,703
Ad Valorem Taxes		177,708
Investment interest		17,585
Total general revenues		1,965,996
Changes in net position		1,942,106
Net position, beginning of year		1,857,559
Net position, end of year		\$ 3,799,665

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Balance Sheet-Governmental Funds
June 30, 2020**

Exhibit B-1
Page 1 of 2

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 3,581,138
Ad valorem receivable	444
Gross receipt taxes receivable	220,854
Total assets	<u><u>\$ 3,802,436</u></u>
Liabilities	
Accounts payable	\$ 2,771
Total liabilities	<u>2,771</u>
Fund balance	
Restricted	<u>3,799,665</u>
Total fund balances	<u>3,799,665</u>
Total liabilities and fund balances	<u><u>\$ 3,802,436</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2020**

Exhibit B-1
Page 2 of 2

Total Fund Balance - Governmental Funds	\$ 3,799,665
Total net position of governmental activities	<u>\$ 3,799,665</u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

Exhibit B-2
 Page 1 of 2

	General Fund
Revenues	
Ad Valorem Taxes	\$ 177,708
Gross receipt taxes	1,770,703
Investment interest	17,585
Total revenue	<u>1,965,996</u>
Expenditures	
Current:	
General government	23,890
Total expenditures	<u>23,890</u>
Excess (deficiency) of revenues over expenditures	<u>1,942,106</u>
Net change in fund balance	1,942,106
Fund balance - beginning of year	1,857,559
Fund balance - end of year	<u><u>\$ 3,799,665</u></u>

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund
Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Exhibit B-2
Page 2 of 2

Net Change in Fund Balance - Governmental Funds	\$ 1,942,106
Change in Net Position of Governmental Activities	<u><u>\$ 1,942,106</u></u>

STATE OF NEW MEXICO

Exhibit C-1

VILLAGE OF TAOS SKI VALLEY

TAX INCREMENT DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	Non-GAAP Basis	Final to actual
Revenues				
Taxes:				
Property taxes	\$ 140,000	\$ 140,000	\$ 177,264	\$ 37,264
Gross receipts	2,130,000	2,130,000	2,220,944	90,944
Interest	1,000	1,000	17,585	16,585
Total revenue	<u>2,271,000</u>	<u>2,271,000</u>	<u>2,415,793</u>	<u>144,793</u>
Expenditures				
Current				
General government	62,000	62,000	28,452	33,548
Total expenditures	<u>62,000</u>	<u>62,000</u>	<u>28,452</u>	<u>33,548</u>
Net Change in fund balance	<u>2,209,000</u>	<u>2,209,000</u>	2,387,341	
Fund balance beginning of the year			1,193,797	
Fund balance - end of year			<u>3,581,138</u>	
Net change in fund balance (non-GAAP budgetary basis)			<u>2,387,341</u>	
Adjustments to revenue for decrease in receivables			(449,797)	
Adjustment to expenditures for decrease in accounts payable			4,562	
Net Change in fund balance (GAAP basis)			<u>\$ 1,942,106</u>	

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies

The Tax Increment Development District (TIDD) is a political subdivision of the State of New Mexico duly created and existing pursuant to the Tax Increment for Development Act (Act), Sections 5-15-1 through 5-15-28 NMSA 1978, as amended, and Village of Taos Ski Valley (Village) Resolution No. 2015-274.

The purpose of the TIDD, pursuant to the Resolution of the Village that formed the TIDD, is to provide financing of the infrastructure improvements set forth in the Tax Increment Development Plan that was approved by the Village as required pursuant to the Act and the Master Development Agreement among the TIDD, the Village and the developer, Taos Ski Valley, Inc. as an agent for Twining Development, LLC and Santander Holdings, LLC.

A. Financial Reporting Entity

The Government Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the TIDD is considered a primary government, since it is a special-purpose government that has a separately appointed body, is legally separate, and is fiscally independent of other state or local government. As used in GASB Statement No. 61, fiscally independent means that the TIDD may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or change, and issue bonded debt. The TIDD has no component units as defined by GASB Statement No. 61. There are no other primary governments with which the TIDD has a significant relationship.

The TIDD is governed by the TIDD Board, consisting of five voting members and a nonvoting member. The Board has control over and management supervision of all affairs of the TIDD.

This summary of significant accounting policies of the Tax Increment Development District (TIDD) is presented to assist in the understanding of the TIDD's financial statements. The financial statements and notes are the representation of the TIDD's management, who are responsible for their integrity and objectivity.

The financial statements of the TIDD have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard 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 which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the TIDD's accounting policies are described below.

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies (continued)

B. 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 of the non-fiduciary activities of the primary government.

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

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

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

The government-wide financial statements ((i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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

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

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Program revenues reduce the costs of the function to be financed from the TIDD's general revenues. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The TIDD has no items that qualify as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

At present, all of the TIDD's net position is restricted and the TIDD only insures expenses related to restricted resources.

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general governments, except those required to be accounted for in another fund. Revenues are provided through taxes, 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 TIDD except for items included in other funds.

Under the requirements of GASB No. 34, the TIDD is required to present certain of its governmental funds as major based upon certain criteria. Given the TIDD has no other funds the general fund is the only fund presented in these financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The TIDD reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The TIDD does not currently employ indirect cost allocation systems.

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

State statutes authorize the TIDD to invest in certificates of deposit, interest-bearing savings accounts, bonds or other obligations of the U.S. Government, which are guaranteed as to principal and interest by the U.S. government and the State Treasurer's Investment Pool.

Investments for the TIDD are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements. As of June 30, 2020 the TIDD had no prepaid expenses.

Capital Assets: As capital assets are constructed, the ownership will be transferred to the Village. As a result, the TIDD does not capitalize any capital assets on its financial statements.

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees. At June 30, 2020, therefore carries no accrued expenses.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “investment in capital assets, net of related debt.”

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Fund Balance: During 2009, GASB adopted Statement No. 54 to clarify the fund balance reporting guidelines of GASB 54. The fund balance reporting established by GASB 54 must be followed by all five of the governmental-type funds used by state and local governments. Based on the requirements of GASB 54, the total fund balance can be conceptually separated into two primary components: 1) Non-spendable fund balance and 2) Spendable fund balance. Fund balance is reported in these five classifications:

Non-spendable – the non-spendable balance includes amounts that cannot be spent because they are not in spendable form or legally, contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash; it also includes the long-term amount of inter-fund loans. At June 30, 2020 the TIDD reported \$0 in nonspendable fund balances.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance amount has spending limitations that are constrained by the government’s highest level of decision-making authority.

At June 30, 2020, all of the TIDD on the governmental funds balance sheet in the amount of \$3,799,665 are restricted by enabling legislation for tax incentive development in the Village.

Assigned – The assigned fund balance classification is intended to be used for specific purposes such as special revenue funds, capital project funds, debt service funds, and permanent funds.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amount not contained in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Interfund Transactions: As there was only one governmental fund during the fiscal year, there were no interfund transactions (transfers/due to/from) with other governmental funds. If in the future, there are interfund transactions between governmental funds, they will be recorded as other financing sources (uses) for transfers and assets/liabilities for due from/to, respectively.

Estimates: The preparation of the 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.

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Gross Receipts Tax Increment: The TIDD's main source of revenue for the fiscal year ended June 30, 2020 has been gross receipts tax increment. Various public entities have pledged gross receipts tax increment to the TIDD. The Village dedicated 75% of its gross receipts tax increment. The New Mexico State Board of Finance, on behalf of the state of New Mexico, dedicated 50% of the state's portion of gross receipts tax increment. Given that prior to the formation of the TIDD there was no significant commercial activity within the TIDD, most all commercial activities currently attributable to the TIDD have generated gross receipts tax increment. The gross receipts tax increment is assessed on a monthly basis and distributed to the TIDD in the same manner as distributions are made under the provisions of the State Tax Administration Act.

Ad Valorem (Property) Tax Increment: In addition to gross receipts tax increment, the Village and County of Taos, New Mexico jurisdictions dedicated property tax increment of 75% and 35%, respectively. Assessments of property taxes are made by Taos County as of January 1 of each year, with one-half of the taxes on that assessment due the following November 10 and one-half due April 10 of the next calendar year. The Special Levy Installment due November 10 becomes delinquent on December 11, while the April 10 installment becomes delinquent on May 11.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

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

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 2. Stewardship, Compliance and Accountability (continued)

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2020 is presented as part of the budgetary statements.

NOTE 3. Deposits and Investments

State statutes authorize the investment of TIDD funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. The TIDD is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2020.

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

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

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

All of the TIDD's accounts at an insured depository institution, including time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

The collateral pledged is listed in the supplementary information. 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.

Custodial Credit Risk Deposits - is the risk that in the event of a bank failure, the TIDD's deposits may not be returned to it. The TIDD does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978) that require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued to the TIDD for at least one half the amount in excess of FDIC coverage on deposit with the institution.

Custodial Credit Risk Investments - For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the TIDD will not be able to recover the value of its investments or collateral securities that are that are in the possession of an outside party. The TIDD's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 3. Deposits and Investments

Credit Risk - The TIDD's investments shall be in accordance with State Law 6-10-10 and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, Strips, and US Government securities which are backed by the full faith and credit of the U.S. Government. Negotiable securities of the State of New Mexico or any county, municipality, or school district with the advice and consent of the Board of Finance per 6-10-44 NMSA 1978, 6-10-10 NMSA 1978, 6-10-10 NMSA 1978.

At June 30, 2020, \$366,454 of the TIDD's bank balance of \$616,454 was exposed to custodial credit risk. \$366,454 of the TIDD's cash deposits were uninsured and collateralized by collateral held by the pledging bank's trust department, not in the TIDD's name, and \$0 was uninsured and uncollateralized at June 30, 2020.

	Hillcrest Bank
Deposits	\$ 616,454
Less: FDIC Coverage	(250,000)
Total uninsured public funds	<u>366,454</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	<u>1,273,380</u>
Uninsured and uncollateralized	<u>-</u>
Collateral requirements (50% of uninsured funds)	\$ 183,227
Pledged Collateral	<u>1,273,380</u>
Over (under) collateralized	<u><u>\$ 1,090,153</u></u>

Investments

New Mexico State Statutes authorize the creation of the short-term investment fund in the New Mexico State Treasury. The Statutes authorize the State Treasurer to pool monies received from local public bodies for investment purposes with public monies under control. The purpose of the local short-term fund is to provide a voluntary investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. The local short-term investment fund, along with other public monies in the State Treasurer's investment account, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collaterals at 102% of investment balances for the TIDD. All investing is performed in accordance with State Statutes and the TIDD's investment policy.

As of June 30, 2020, the TIDD had the following investments and maturities:

<u>Investment Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Cost Basis</u>	<u>Market value</u>
New Mexico LGIP	[25] day WAM R; [77] day WAM (F)	AAAm	2,964,817	2,964,817

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 3. Deposits and Investments (continued)

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the TIDD has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the TIDD believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All of the TIDD's investments in New Mexico LGIP of \$2,964,817 are measured through level 1 input.

The Carrying Amount of deposits and investments shown above are included in the TIDD's Statement of Net position as follows:

Cash and cash equivalents - Governmental Activities per Exhibit A-1	\$	3,581,138
Total cash and cash equivalents		<u>3,581,138</u>
Add: outstanding checks		133
Less: outstanding deposits		-
Less: cash held at the New Mexico State Treasurers Office (LGIP)		<u>(2,964,817)</u>
Bank balance of deposits	\$	<u><u>616,454</u></u>

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 4. Receivables

Receivables as of June 30, 2020, are as follows:

	Governmental Funds
Taxes Recieveable:	
Gross receipts taxes	\$ 220,854
Ad Valorem receivables	444
Total Receivables, Net	\$ 221,298

The above governmental receivables are deemed 100% collectible. In accordance with GASB 33, Ad Valorem (property tax) revenues receivables not collected within the period of availability was determined to be immaterial to the financial statements and was not reclassified as deferred inflow of resources in the governmental fund financial statements.

NOTE 5. Risk Management

The TIDD is exposed to various risk of loss from torts; theft of, damage to, and destruction of assets; business interruption; and errors and omission and natural disasters. The TIDD is not insured through private carriers for liability, casualty and director and office liability.

The TIDD has not filed any claims for which the settlement during the past three years. If such claims were filed, the TIDD would be responsible for a loss.

At June 30, 2020, no unpaid claims have been filed to the best of management's knowledge No major lawsuits have been filed against the TIDD.

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Notes to the Financial Statements
June 30, 2020**

NOTE 6. Tax Abatements (GASB 77)

The TIDD negotiated gross receipts and ad valorem tax abatement agreements with various entities. The TIDD has tax abatement agreements with three entities relating to four different abatements as of June 30, 2020:

<u>Tax Abatement Program</u>	<u>Amount Abated</u>	<u>% Abated</u>
Gross Receipts Tax:		
Village of Taos Ski Valley	\$ 954,478	75%
State of New Mexico	816,225	50%
Ad Valorem Tax:		
Village of Taos Ski Valley	106,911	75%
Taos County	70,797	35%
Total Abatements	<u>\$ 1,948,411</u>	

Each of these agreements was negotiated under state and local laws and has been passed by Legislation or resolution as applicable, including the New Mexico Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978, as amended. The eligibility criteria are for the entity to provide for financing of the infrastructure improvements as set forth in the Tax Increment Development Plan. The state law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

NOTE 7. Related Party

At June 30, 2020 TIDD owed \$2,300 to the Village for services performed by Village employees. The Village clerk and finance director provided additional various other identifiable services in fiscal year 2020 in the amount of \$3,729 for a total of \$6,029. There were no other apparent related party expenses for the fiscal year ended June 30, 2020.

NOTE 8. Subsequent Events

The date to which events occurring after June 30, 2020, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is October 21, 2020, which is the date on which the financial statements were available to be issued.

NOTE 9. Restricted Net Position

The government-wide statement of net position reports restricted net position in governmental funds of \$3,799,665.

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SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Schedule of Deposits and Investments
June 30, 2020**

Schedule I

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Hillcrest Bank					
General	Operating	\$ 616,454	\$ -	\$ (133)	\$ 616,321
Total on Deposit		<u>616,454</u>	<u>-</u>	<u>(133)</u>	<u>616,321</u>
State of New Mexico Treasurers Office					
LGIP	Investment	2,964,817	-	-	2,964,817
Total LGIP Cash		<u>2,964,817</u>	<u>-</u>	<u>-</u>	<u>2,964,817</u>
Total		<u>\$ 3,581,271</u>	<u>\$ -</u>	<u>\$ (133)</u>	<u>\$ 3,581,138</u>
Total Cash and Cash Equivalents					<u><u>3,581,138</u></u>

See Independent Auditors' Report

STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2020

Schedule II

<u>Name of Depository</u>	<u>Maturity Date</u>	<u>CUSIP / Description</u>	<u>Fair Market Value</u>
Hillcrest Bank	7/15/2028	3137B3BS6	\$ 76,047
Hillcrest Bank	7/15/2025	3137A65F5	9,565
Hillcrest Bank	10/25/2042	3136AY3N1	193,773
Hillcrest Bank	12/16/2027	38378GZL5	318,723
Hillcrest Bank	12/25/2025	3136A25W9	675,272
Total			<u>\$ 1,273,380</u>

See Independent Auditors' Report

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COMPLIANCE SECTION



Auditors~Consultants~CPA

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

To Brian Colón, ESQ
New Mexico State Auditor
And
Village of Taos Ski Valley
Tax Increment Development District Board
Taos Ski Valley, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the budgetary comparisons of the general fund of the Village of Taos Ski Valley Tax Increment Development District (the TIDD), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the TIDD's basic financial statements, and have issued our report thereon dated October 21, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TIDD's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Firm's signature

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

October 21, 2020

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Schedule of Findings and Responses
June 30, 2020**

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor report issued:	Unmodified
Internal control over financial reporting:	
Material weakness Identified	No
Significant deficiencies identified	No
Noncompliance material to the financial statements identified	No

SECTION II – Prior Year Audit Findings

No Pryor Year Audit Findings

SECTION III- Audit Findings

No Audit Findings

**STATE OF NEW MEXICO
VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
Exit Conference
June 30, 2020**

Exit Conference

An exit conference was held on October 21, 2020. In attendance were the following: Representing The Village of Taos Ski Valley Tax Increment Development

District:	Neal King	Board Chair
	Nancy Grabowski	Co-Treasurer
	John Avila	Village of Taos Ski Valley Administrator

Representing Southwest Accounting Solutions, LLC:

Robert Peixotto, CPA	Managing Member
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Auditor Prepared Financial Statements

Southwest Accounting Solutions, LLC assisted the TIDD in the preparation of the GAAP-based financial statements and notes to the financial statements. The financial statements were prepared using the original books and records provided by the management of the TIDD. The responsibility for the financial statements remains with the TIDD.