

STATE OF NEW MEXICO
Village of Taos Ski Valley
ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2024



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Village of Taos Ski Valley
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Village of Taos Ski Valley
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**STATE OF NEW MEXICO
Village of Taos Ski Valley
Official Roster
June 30, 2024**

VILLAGE COUNCIL

Christopher Stanek Mayor
Thomas Wittman Mayor Pro Tempore
J. Christopher Stagg Councilor
Doug Turner Councilor
Henry Caldwell Councilor

ADMINISTRATIVE OFFICIALS

Richard Bellis Village Administrator
Carroll Griesedieck Finance Director
Ann Marie Wooldridge Village Clerk
Marlene Salazar Deputy Clerk

FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Joseph M. Maestas, PE, CFE
New Mexico State Auditor
Santa Fe, New Mexico
and
To the Village Councilors of
The Village of Taos Ski Valley, New Mexico

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of the Village of Taos Ski Valley, New Mexico (the Village) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Village, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Key Audit Matters

There are no Key Audit Matters to report as of June 30, 2024.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and government auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that Schedule I, Schedule II and the Notes to the Required Supplementary Information on pages 64-68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual non-major fund financial statements (Statement A-1 and Statement A-2), the Schedule of Deposits and Investments (Schedule III) and the Schedule of Collateral Pledged (Schedule IV), required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual non-major fund financial statements (Statement A-1 and Statement A-2), the Schedule of Deposits and Investments (Schedule III) and the Schedule of Collateral Pledged (Schedule IV) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2024 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

December 6, 2024

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 7,088,092	\$ 2,009,667	\$ 9,097,759
Restricted cash	97,210	1,197,096	1,294,306
Investments	-	222,854	222,854
Receivables:			
Taxes receivable	297,216	-	297,216
Customer receivables, net	-	82,202	82,202
Other receivables, net	135,580	20,150	155,730
Total current assets	7,618,098	3,531,969	11,150,067
Noncurrent assets			
Capital assets	21,543,072	21,373,527	42,916,599
Less: Accumulated depreciation	(4,529,012)	(6,371,681)	(10,900,693)
Total noncurrent assets	17,014,060	15,001,846	32,015,906
Deferred outflows of resources			
Deferred outflows of resources: pension	430,140	128,484	558,624
Total deferred outflows	430,140	128,484	558,624
Total assets and deferred outflows of resources	\$ 25,062,298	\$ 18,662,299	\$ 43,724,597

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 134,519	\$ 44,123	\$ 178,642
Accrued salaries and benefits	35,969	6,235	42,204
Accrued interest	6,122	10,385	16,507
Loans and bonds payable	119,883	255,239	375,122
Compensated absences	56,998	10,098	67,096
Total current liabilities	353,491	326,080	679,571
Noncurrent liabilities			
Loans and bonds payable	1,282,246	7,219,234	8,501,480
Compensated absences	59,234	-	59,234
Net Pension liability	1,485,078	443,595	1,928,673
Total noncurrent liabilities	2,826,558	7,662,829	10,489,387
Total Liabilities	3,180,049	7,988,909	11,168,958
Deferred inflows of resources			
Deferred inflows of resources: pension	24,165	7,218	31,383
Total deferred inflows of resources	24,165	7,218	31,383
Net Position			
Net investment in capital assets	15,611,931	7,527,373	23,139,304
Restricted for:			
Debt Service	94,020	994,674	1,088,694
Capital projects	1,795,663	202,422	1,998,085
Special Revenue	1,460,417	-	1,460,417
Unrestricted	2,896,053	1,941,703	4,837,756
Total net position	21,858,084	10,666,172	32,524,256
Total liabilities, deferred inflows of resources, and net position	\$ 25,062,298	\$ 18,662,299	\$ 43,724,597

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Activities
For the Year Ended June 30, 2024

Functions and Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,969,848	\$ 20,698	\$ 105,981	\$ -
Public safety	1,013,468	-	476,596	-
Public works	685,336	-	-	178,604
Culture and recreation	804,204	-	-	-
Interest on long-term debt	39,641	-	-	-
Total Governmental Activities	4,512,497	20,698	582,577	178,604
Business-Type Activities				
Joint Utility	1,707,744	1,224,399	-	836,618
Solid waste	82,265	69,852	-	-
Total Business-Type Activities	1,790,009	1,294,251	-	836,618
Total Primary Government	\$ 6,302,506	\$ 1,314,949	\$ 582,577	\$ 1,015,222

General Revenues:

Taxes:

Property taxes levied for general purposes

Gross receipt taxes

Gas taxes

Franchise taxes

Lodgers taxes

Interest income

Licenses and fees

Impact fees

Miscellaneous income

Gain on sale of capital asset

Transfers

Subtotal, General Revenues

Change in Net Position

Net Position - beginning

Net Position - ending

See Independent Auditors' Report and Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Government Activities	Business- Type Activities	Total
\$ (1,843,169)	\$ -	\$ (1,843,169)
(536,872)	-	(536,872)
(506,732)	-	(506,732)
(804,204)	-	(804,204)
(39,641)	-	(39,641)
(3,730,618)	-	(3,730,618)
-	353,273	353,273
-	(12,413)	(12,413)
-	340,860	340,860
(3,730,618)	340,860	(3,389,758)
557,194	-	557,194
1,886,750	400,000	2,286,750
5,444	-	5,444
78,282	-	78,282
673,933	-	673,933
329,558	10,301	339,859
117,566	-	117,566
392,341	-	392,341
546,474	2,789	549,263
100,666	-	100,666
(86,158)	86,158	-
4,602,050	499,248	5,101,298
871,432	840,108	1,711,540
20,986,652	9,826,064	30,812,716
\$ 21,858,084	\$ 10,666,172	\$ 32,524,256

STATE OF NEW MEXICO
Village of Taos Ski Valley
Balance Sheet
Governmental Funds
June 30, 2024

		Special Revenue Funds		
	General	Fire	Lodgers	
	Fund	Protection	Tax	Streets
	101	209	214	216
Assets				
Cash and cash equivalents	\$ 3,910,066	\$ 513,772	\$ 303,775	\$ 151,216
Restricted cash	94,020	3,190	-	-
Property taxes receivable	136,927	-	-	-
Gross receipt taxes receivable	124,625	-	-	-
Franchise taxes receivable	16,428	-	-	-
Lodgers taxes receivable	-	-	18,348	-
Other taxes	-	-	-	888
Other receivables	17,319	-	-	45,723
Total assets	<u>\$ 4,299,385</u>	<u>\$ 516,962</u>	<u>\$ 322,123</u>	<u>\$ 197,827</u>
Liabilities				
Accounts payable	\$ 77,893	\$ 1,678	\$ -	\$ 30,448
Accrued salaries and benefits	29,930	-	-	2,648
Total liabilities	<u>107,823</u>	<u>1,678</u>	<u>-</u>	<u>33,096</u>
Deferred inflows of resources				
Deferred inflows - property taxes	126,423	-	-	-
Total deferred inflows of resources	<u>126,423</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>234,246</u>	<u>1,678</u>	<u>-</u>	<u>33,096</u>
Fund balance				
Spendable				
Restricted for:				
General government	-	-	-	-
Public safety	-	512,094	-	-
Public works	-	-	-	164,731
Culture and recreation	-	-	322,123	-
Debt service expenditures	94,020	-	-	-
Capital projects	-	3,190	-	-
Committed:				
Minimum fund balance	192,432	-	-	-
Unassigned	3,778,687	-	-	-
Total fund balances	<u>4,065,139</u>	<u>515,284</u>	<u>322,123</u>	<u>164,731</u>
Total liabilities and fund balances	<u>\$ 4,299,385</u>	<u>\$ 516,962</u>	<u>\$ 322,123</u>	<u>\$ 197,827</u>

See Independent Auditors' Report and Notes to Financial Statements

Capital Projects Impact Fees 299	Non-Major Governmental Funds	Total
\$ 1,792,473	\$ 416,790	\$ 7,088,092
-	-	97,210
-	-	136,927
-	-	124,625
-	-	16,428
-	-	18,348
-	-	888
-	72,538	135,580
<u>\$ 1,792,473</u>	<u>\$ 489,328</u>	<u>\$ 7,618,098</u>
\$ -	\$ 24,500	\$ 134,519
-	3,391	35,969
<u>-</u>	<u>27,891</u>	<u>170,488</u>
-	-	126,423
<u>-</u>	<u>-</u>	<u>126,423</u>
<u>-</u>	<u>27,891</u>	<u>296,911</u>
-	114,469	114,469
-	338,399	850,493
-	-	164,731
-	8,601	330,724
-	-	94,020
1,792,473	-	1,795,663
-	-	192,432
<u>-</u>	<u>(32)</u>	<u>3,778,655</u>
<u>1,792,473</u>	<u>461,437</u>	<u>7,321,187</u>
<u>\$ 1,792,473</u>	<u>\$ 489,328</u>	<u>\$ 7,618,098</u>

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STATE OF NEW MEXICO
Village of Taos Ski Valley
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2024

Exhibit B-1
Page 2 of 2

Total Fund Balance - Governmental Funds	\$ 7,321,187
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital assets	21,543,072
Less: Accumulated depreciation	(4,529,012)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the governmental fund financial statements, but these revenues have already been recognized as revenues in the statement of activities.	
	126,423
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:	
Accrued interest	(6,122)
Deferred outflows and inflows relating to pension liabilities are not payable / collectible in the current period and therefore are not reported in the fund financial statements. Deferred outflows and inflows reported on the Statement of Net Position are as follows:	
Deferred outflows-pension	430,140
Deferred inflows-pension	(24,165)
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:	
Accrued compensated absences	(116,232)
Loans payable	(1,402,129)
Pension liability	(1,485,078)
Total net position of governmental activities	\$ 21,858,084

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

		Special Revenue Funds		
	General Fund 101	Fire Protection 209	Lodgers Tax 214	Streets 216
Revenues				
Property taxes	\$ 539,416	\$ -	\$ -	\$ -
Gross receipt taxes	1,886,750	-	-	-
Gas tax	-	-	-	5,444
Franchise taxes	78,282	-	-	-
Lodgers' taxes	-	-	673,933	-
State operating grants	105,981	251,826	-	-
State capital grants	-	-	-	178,604
Charges for services	20,698	-	-	-
Licenses and fees	94,511	-	-	23,055
Interest income	304,620	12,499	-	-
Miscellaneous income	232,482	-	-	-
Total revenue	3,262,740	264,325	673,933	207,103
Expenditures				
Current:				
General government	1,637,200	-	-	-
Public safety	358,227	138,050	-	-
Public works	134,376	-	-	443,836
Culture and recreation	-	-	672,052	-
Capital outlay	79,056	532,823	-	542,157
Debt service:				
Principal	62,790	56,173	-	-
Interest	37,531	2,243	-	-
Total expenditures	2,309,180	729,289	672,052	985,993
Excess (deficiency) of revenues over expenditures	953,560	(464,964)	1,881	(778,890)
Other financing sources (uses)				
Transfers in	704,545	-	263	811,902
Transfers out	(1,367,997)	-	(60,000)	-
Sale of fixed assets	-	298,234	-	-
Total other financing sources (uses)	(663,452)	298,234	(59,737)	811,902
Net change in fund balance	290,108	(166,730)	(57,856)	33,012
Fund balance - beginning of year	3,775,031	682,014	379,979	131,719
Fund balance - end of year	\$ 4,065,139	\$ 515,284	\$ 322,123	\$ 164,731

Capital Project		
Impact Fees	Non-Major Governmental Funds	Total
299		
\$ -	\$ -	\$ 539,416
-	-	1,886,750
-	-	5,444
-	-	78,282
-	-	673,933
-	224,770	582,577
-	-	178,604
-	-	20,698
392,341	-	509,907
12,439	-	329,558
-	313,992	546,474
404,780	538,762	5,351,643
4,979	19,765	1,661,944
-	358,777	855,054
-	-	578,212
-	6,448	678,500
-	79,105	1,233,141
-	-	118,963
-	-	39,774
4,979	464,095	5,165,588
399,801	74,667	186,055
-	148,319	1,665,029
(304,690)	(18,500)	(1,751,187)
-	-	298,234
(304,690)	129,819	212,076
95,111	204,486	398,131
1,697,362	256,951	6,923,056
\$ 1,792,473	\$ 461,437	\$ 7,321,187

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STATE OF NEW MEXICO
Village of Taos Ski Valley

Exhibit B-2
Page 2 of 2

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, 2024

Net Change in Fund Balance - Governmental Funds	\$ 398,131
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Amounts reported for governmental activities in the statement of activities are different because:

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:

Capital expenditures recorded in capital outlay	1,233,141
Depreciation expense	(571,615)

Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the governmental fund financial statements, but these are considered revenues on the statement of activities

Increase in delinquent property taxes	17,778
---------------------------------------	--------

Governmental funds report proceeds received from the sale of capital assets as revenues. However, in the statement of activities, revenues or expenses from these transactions are reported net of the asset cost minus accumulative depreciation.

Loss on disposal of capital asset	100,666
Less Proceeds on sales of fixed assets	(298,234)

Governmental funds report Village pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

Pension expense	(139,340)
-----------------	-----------

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. Also, changes in accrued compensated absences does not consume current financial resources in governmental funds but does affect net position.

Decrease in accrued compensated absences	11,809
Decrease in accrued interest	133
Principal payments on bonds and loans payable	118,963

Change in Net Position of Governmental Activities	\$ 871,432
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STATE OF NEW MEXICO
Village of Taos Ski Valley
General Fund

Exhibit C-1

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Non-GAAP Basis	(Unfavorable)
				Final to actual
Revenues				
Taxes:				
Property taxes	\$ 530,078	\$ 564,046	\$ 543,232	\$ (20,814)
Gross receipts	1,834,472	1,952,026	1,879,995	(72,031)
Gasoline and Motor vehicle	-	-	-	-
Lodgers taxes	-	-	-	-
Franchise tax	75,155	79,971	77,020	(2,951)
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	87,821	93,448	90,000	(3,448)
State capital grants	-	-	-	-
Charges for services	20,197	21,491	20,698	(793)
Licenses and fees	96,081	102,238	98,465	(3,773)
Interest income (loss)	297,244	316,291	304,620	(11,671)
Miscellaneous	226,853	241,389	232,482	(8,907)
Total revenue	<u>3,167,901</u>	<u>3,370,900</u>	<u>3,246,512</u>	<u>(124,388)</u>
Expenditures				
Current				
General government	2,116,986	2,154,540	1,633,809	520,731
Public safety	464,168	472,402	358,227	114,175
Public works	174,116	177,205	134,376	42,829
Culture and recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital outlay	102,436	104,253	79,056	25,197
Debt Service:				
Principal	81,359	82,803	62,790	20,013
Interest	48,630	49,493	37,531	11,962
Total expenditures	<u>2,987,695</u>	<u>3,040,696</u>	<u>2,305,789</u>	<u>734,907</u>
Excess (deficiency) of revenues over expenditures	<u>180,206</u>	<u>330,204</u>	<u>940,723</u>	<u>610,519</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	(180,206)	(330,204)	-	(1,000,000)
Transfers in	152,000	1,000,000	-	
Transfers out	(2,286,433)	(2,937,933)	(1,367,996)	1,569,937
Total other financing sources (uses)	<u>(2,134,433)</u>	<u>(1,937,933)</u>	<u>(1,367,996)</u>	<u>569,937</u>
Net Change in fund balance	(1,954,227)	(1,607,729)	(427,273)	
Fund balance - beginning of year	4,386,936	4,386,936	4,386,936	
Fund balance - end of year	<u>\$ 2,432,709</u>	<u>\$ 2,779,207</u>	<u>\$ 3,959,663</u>	
Net change in fund balance (non-GAAP budgetary basis)			<u>(427,273)</u>	
Adjustments to revenue for receivables			16,228	
Adjustment to expenditures for accounts payable			701,153	
Net Change in fund balance (GAAP basis)			<u>\$ 290,108</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Fire Protection

Exhibit C-2

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Non-GAAP Basis	(Unfavorable)
				Final to actual
Revenues				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and Motor vehicle	-	-	-	-
Lodgers taxes	-	-	-	-
Franchise tax	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	200,000	240,000	251,826	11,826
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income (loss)	-	-	12,499	12,499
Miscellaneous	-	-	-	-
Total revenue	<u>200,000</u>	<u>240,000</u>	<u>264,325</u>	<u>24,325</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	444,145	493,145	134,674	358,471
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	234,589	234,589	234,589	-
Debt Service:				
Principal	56,173	56,173	56,173	-
Interest	2,243	2,243	2,243	-
Total expenditures	<u>737,150</u>	<u>786,150</u>	<u>427,679</u>	<u>358,471</u>
Excess (deficiency) of revenues over expenditures	<u>(537,150)</u>	<u>(546,150)</u>	<u>(163,354)</u>	<u>382,796</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	(537,150)	(546,150)	(163,354)	
Fund balance - beginning of year	684,013	684,013	684,013	
Fund balance - end of year	<u>\$ 146,863</u>	<u>\$ 137,863</u>	<u>\$ 520,659</u>	
Net change in fund balance (non-GAAP budgetary basis)			<u>(163,354)</u>	
Adjustments to revenue for trade in of capital assets			298,234	
Adjustment to expenditures			<u>(301,610)</u>	
Net Change in fund balance (GAAP basis)			<u>\$ (166,730)</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Lodgers Tax

Exhibit C-3

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Non-GAAP Basis	(Unfavorable)
				Final to actual
Revenues				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and Motor vehicle	-	-	-	-
Lodgers taxes	700,000	700,000	671,276	(28,724)
Franchise tax	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>700,000</u>	<u>700,000</u>	<u>671,276</u>	<u>(28,724)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	879,710	822,500	672,052	150,448
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>879,710</u>	<u>822,500</u>	<u>672,052</u>	<u>150,448</u>
Excess (deficiency) of revenues over expenditures	<u>(179,710)</u>	<u>(122,500)</u>	<u>(776)</u>	<u>121,724</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	179,710	122,500	-	-
Transfers in	-	-	-	-
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net Change in fund balance	(239,710)	(182,500)	(60,776)	
Fund balance - beginning of year	364,552	364,552	364,552	
Fund balance - end of year	<u>\$ 124,842</u>	<u>\$ 182,052</u>	<u>\$ 303,776</u>	
Net change in fund balance (non-GAAP budgetary basis)			<u>(60,776)</u>	
Adjustments to revenue			2,657	
Adjustment to expenditures			263	
Net Change in fund balance (GAAP basis)			<u>\$ (57,856)</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Streets

Exhibit C-4

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance Favorable
	Original	Final	Non-GAAP Basis	(Unfavorable)
				Final to actual
Revenues				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and Motor vehicle	13,614	13,614	5,420	(8,194)
Lodgers taxes	-	-	-	-
Franchise tax	-	-	-	-
Intergovernmental income:	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	338,724	338,724	134,856	(203,868)
Charges for services	-	-	-	-
Licenses and fees	57,662	57,662	22,957	(34,705)
Interest income (loss)	-	-	-	-
Miscellaneous	-	-	-	-
Total revenue	<u>410,000</u>	<u>410,000</u>	<u>163,233</u>	<u>(246,767)</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,552,506	1,552,506	827,300	725,206
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,552,506</u>	<u>1,552,506</u>	<u>827,300</u>	<u>725,206</u>
Excess (deficiency) of revenues over expenditures	<u>(1,142,506)</u>	<u>(1,142,506)</u>	<u>(664,067)</u>	<u>478,439</u>
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	1,142,506	1,142,506	-	-
Transfers in	1,042,000	1,092,000	661,902	(430,098)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,042,000</u>	<u>1,092,000</u>	<u>661,902</u>	<u>(430,098)</u>
Net Change in fund balance	(100,506)	(50,506)	(2,165)	
Fund balance - beginning of year	153,380	153,380	153,380	
Fund balance - end of year	<u>\$ 52,874</u>	<u>\$ 102,874</u>	<u>\$ 151,215</u>	
Net change in fund balance (non-GAAP budgetary basis)			<u>(2,165)</u>	
Adjustments to revenue for increase in receivables			43,870	
Adjustment to expenditures			(8,693)	
Net Change in fund balance (GAAP basis)			<u>\$ 33,012</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit D-1

	Joint Utility	Solid Waste	Total
Assets			
Cash and cash equivalents	\$ 1,856,291	\$ 153,376	\$ 2,009,667
Restricted cash	1,197,096	-	1,197,096
Investments	222,854	-	222,854
Customer receivable, net	76,671	5,531	82,202
Grants receivable	20,150	-	20,150
Total current assets	3,373,062	158,907	3,531,969
Noncurrent assets			
Capital assets	21,373,527	-	21,373,527
Less: Accumulated depreciation	(6,371,681)	-	(6,371,681)
Total noncurrent assets	15,001,846	-	15,001,846
Deferred outflows of resources			
Deferred outflows from pensions	128,484	-	128,484
Total deferred outflows	128,484	-	128,484
Total assets, and deferred outflows of resources	\$ 18,503,392	\$ 158,907	\$ 18,662,299
Liabilities, deferred inflows and net position			
Liabilities			
Accounts payable	\$ 40,923	\$ 3,200	\$ 44,123
Accrued salaries and benefits	6,235	-	6,235
Accrued interest	10,385	-	10,385
Loans and bonds payable	255,239	-	255,239
Compensated absences	10,098	-	10,098
Total current liabilities	322,880	3,200	326,080
Noncurrent liabilities			
Loans and bonds payable	7,219,234	-	7,219,234
Net pension liability	443,595	-	443,595
Total noncurrent liabilities	7,662,829	-	7,662,829
Total liabilities	7,985,709	3,200	7,988,909
Deferred inflows of resources			
Deferred inflows from pensions	7,218	-	7,218
Total deferred inflows of resources	7,218	-	7,218
Net position			
Net investment in capital asset	7,527,373	-	7,527,373
Restricted for:			
Debt service	994,674	-	994,674
Capital projects	202,422	-	202,422
Unrestricted	1,785,996	155,707	1,941,703
Total net position	10,510,465	155,707	10,666,172
Total liabilities, deferred inflows of resources and net position	\$ 18,503,392	\$ 158,907	\$ 18,662,299

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit D-2

	Joint Utility	Solid Waste	Total
Operating revenues:			
Charges for services	\$ 1,224,399	\$ 69,852	\$ 1,294,251
Total operating revenues	<u>1,224,399</u>	<u>69,852</u>	<u>1,294,251</u>
Operating expenses:			
Depreciation and amortization	462,135	-	462,135
Personnel services	468,031	14,083	482,114
Insurance	74,790		74,790
Contractual services	345,897	64,056	409,953
Supplies	53,459	3,234	56,693
Maintenance and materials	49,304	-	49,304
Utilities	73,903	600	74,503
Miscellaneous	9,539	292	9,831
Total operating expense	<u>1,537,058</u>	<u>82,265</u>	<u>1,619,323</u>
Operating income (loss)	<u>(312,659)</u>	<u>(12,413)</u>	<u>(325,072)</u>
Non-operating revenues (expense):			
Gross receipts taxes	400,000	-	400,000
Interest income	10,301	-	10,301
Other Income	2,789	-	2,789
Interest expense	(170,686)	-	(170,686)
Total non-operating revenues (expense)	<u>242,404</u>	<u>-</u>	<u>242,404</u>
Income (loss) before contributions and transfers	<u>(70,255)</u>	<u>(12,413)</u>	<u>(82,668)</u>
Transfers in	939,466	-	939,466
Transfers out	(703,308)	(150,000)	(853,308)
State and federal capital grants	836,618	-	836,618
Total contributions and transfers	<u>1,072,776</u>	<u>(150,000)</u>	<u>922,776</u>
Change in Net Position	<u>1,002,521</u>	<u>(162,413)</u>	<u>840,108</u>
Net Position - beginning of the year	<u>9,507,944</u>	<u>318,120</u>	<u>9,826,064</u>
Net Position - end of the year	<u><u>\$ 10,510,465</u></u>	<u><u>\$ 155,707</u></u>	<u><u>\$ 10,666,172</u></u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Village of Taos Ski Valley
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit D-3

	Joint Utility	Solid Waste	Total
Cash flow from operating activities:			
Cash received from customers	\$ 1,225,798	\$ 69,434	\$ 1,295,232
Cash payments to employees for services	(440,526)	(14,083)	(454,609)
Cash payments to suppliers for goods and services	(680,231)	(68,914)	(749,145)
Net cash provided by operating activities	\$ 105,041	\$ (13,563)	\$ 91,478
Cash flow from noncapital financing activities:			
Taxes received	400,000	-	400,000
Miscellaneous	\$ 2,789	\$ -	\$ 2,789
Transfers	939,466	(150,000)	789,466
Net cash flows provided by noncapital financing activities	\$ 1,342,255	\$ (150,000)	\$ 1,192,255
Cash flows from capital and related financing activities:			
Interest paid	\$ (171,509)	\$ -	\$ (171,509)
Principal payments	(251,291)	-	(251,291)
Acquisition of capital assets	(809,319)	-	(809,319)
Proceeds from governmental capital contributions	1,042,143	-	1,042,143
Net cash provided (used) by capital and related financing activities	\$ (189,976)	\$ -	\$ (189,976)
Cash flows from investing activities:			
Proceeds from sale (purchase) of investments	\$ (207,099)	\$ -	\$ (207,099)
Interest income	10,301	-	10,301
Net cash provided by investing activities	\$ (196,798)	\$ -	\$ (196,798)
Net increase (decrease) in cash and cash equivalents	\$ 1,060,522	\$ (163,563)	\$ 896,959
Cash & cash equivalents - beginning of year	1,992,865	316,939	2,309,804
Cash & cash equivalents - end of year	\$ 3,053,387	\$ 153,376	\$ 3,206,763
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (312,659)	\$ (12,413)	\$ (325,072)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	462,135	-	462,135
Changes in assets & liabilities:			
Pension expense	41,621	-	41,621
Receivables	1,399	(418)	981
Accounts payable	(73,339)	(732)	(74,071)
Accrued salaries and benefits	(1,677)	-	(1,677)
Compensated absences	(12,439)	-	(12,439)
Net cash provided (used) by operating activities	\$ 105,041	\$ (13,563)	\$ 91,478

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies

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

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

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

This summary of significant accounting policies of the Village is presented to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management, who are responsible for their integrity and objectivity.

The financial statements of the Village 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 Village's accounting policies are described below.

A. Financial Reporting Entity

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 as amended by GASB Statements No. 39 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial 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 government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village does not have any component units required to be reported under GASB Statements No. 14, No. 39, and No. 61.

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. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's Net Position is reported in three parts; net investments in capital assets; restricted net position; and unrestricted net position.

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.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate statements in the fund financial statements.

C. Measurement focus, Basis of Accounting, and Financial Statement Presentation.

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

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

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

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of Village facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

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.

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

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Protection Fund (Special Revenue Fund) - To account for the revenues for the state fire allotment and public safety related expenditures. Authority NMSA 1978 59A-53-1 to 17.

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

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

Impact fees (Capital Projects Fund) - To account for impact fees related to construction of building sites in the Village that are used for capital improvements. The Fund is authorized by Village Council.

The Village reports the following proprietary funds as major funds:

The Joint Utility Fund accounts for the activities of the Village's water and waste water operations.

The Solid Waste Fund accounts for the provision of solid waste services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including administration, operations, and billing.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the Village's enterprise fund is charges for utility services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered 100% collectible. The allowance for doubtful accounts for customer receivables is calculated based on the aging of the customer accounts receivable and the Village's historical experience with these receivables.

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, 2024 the Village had no prepaid expenses.

Inventory: Inventories in governmental funds consist of expendable supplies held for consumption and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when consumed rather than when purchased.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Computer Equipment and Software	3
Vehicles	5-7
Equipment & Machinery	5-20
Buildings and Improvements	20-40
Plant and Distribution System	10-40

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2024, along with applicable PERA.

Unearned Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is "unavailable revenue." Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

Deferred Inflows of Resources Governmental Funds: Deferred inflows are reported in the balance sheet for governmental funds regarding property tax revenue. These amounts are deferred and recognized as revenue in that period that the amounts become available.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows/Inflows of Resources Government Wide Statement of Net Position: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a recognized consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports deferred outflows and inflows for pension liabilities.

Compensated Absences: Hourly employees can accrue up to 320 hours of accumulated annual leave, and salary employees can accrue an unlimited balance. Hourly employees can be paid out up to 80 hours of unused leave time at the end of the calendar year over 320 hours. The Village does not pay out sick leave upon separation of employment but at the option of the Village they can pay employees back unused sick leave in excess of 700 and a maximum of ninety-six (96) hours may be sold back to the Village at a rate of 1 hour of pay for every three hours.

All employees earn sick leave at a rate of eight hours per month and employees earn vacation leave at various rates depending on the employee's length of service based on the following total years of services:

<u>Years of Service</u>	<u>Hours Earned Per Month</u>	<u>Hours Earned Per year</u>
1-5	8	96
6	9.33	112
7	10.667	128
>7	13.33	160

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental or proprietary fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Long-term Obligations: In the Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.”

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.

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, 2024, the Village has presented restricted and committed fund balance on the governmental funds balance sheet in the amount of \$3,542,532 for various Village operations as restricted and committed by the minimum fund balance in the General Fund and enabling legislation in the special revenue funds, debt service, and for capital projects. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 16 and 17.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

Minimum Fund Balance Policy: The Village's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the Village holds cash reserves of 1/12th the General Fund expenditures for the upcoming budget year. The Village has presented committed fund balance on the governmental funds balance sheet in the amount of \$192,432 to meet minimum fund balance requirements for the General Fund.

The Village applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

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

Tax Revenues: The Village receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and May 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The Village recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The Village records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the Village's financial statements include the allowance for uncollectible accounts in the enterprise funds, the current portion of accrued compensated absences, the net pension liability and related amounts, and the useful lives of capital assets.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the Village are prepared prior to June 1 and must be approved by resolution of the Village Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Village Councilors 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 as the legal level of budgetary control is at the fund level.

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

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2024 is presented as part of the budgetary statements.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3. Deposits and Investments

The Village's cash balances consist of checking accounts, interest bearing savings accounts and demand deposits, and money market account. The majority of Village's cash and investments are pooled. All interest income is accounted for in the related funds.

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2024.

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 Village'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.

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 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 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 Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3. Deposits and Investments (continued)

At June 30, 2024, \$3,559,740 of the Village's bank balance of \$4,282,594 was exposed to custodial credit risk, \$3,086,780 of the Village's cash deposits were uninsured and collateralized by collateral held by the pledging bank's trust department, not in the Village's name, and \$472,960 was uninsured and uncollateralized at June 30, 2024.

	Centinel Bank	Hillcrest Bank	Peoples Bank	Total
Deposits	\$ 2,862,644	\$ 1,197,096	\$ 222,854	\$ 4,282,594
Less: FDIC Coverage	(250,000)	(250,000)	(222,854)	(722,854)
Total uninsured public funds	<u>2,612,644</u>	<u>947,096</u>	<u>-</u>	<u>3,559,740</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Villages name	2,612,644	474,136	-	3,086,780
Uninsured and uncollateralized	<u>-</u>	<u>472,960</u>	<u>-</u>	<u>472,960</u>
Collateral requirements (50% of uninsured funds)	1,306,322	473,548	-	1,779,870
Pledged Collateral	<u>2,684,116</u>	<u>474,136</u>	<u>-</u>	<u>3,158,252</u>
Over (under) collateralized	<u>\$ 1,377,794</u>	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ 1,378,382</u>

A summary of the Village's investments as of June 30, 2024 is as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Market Value</u>
New Mexico LGIP	[30] day WAM R; [839] day WAM (F)	AAAm	\$ 6,281,926

<u>Investment Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Market Value</u>
Certificate of Deposit	5/7/2025	NA	\$ 93,382
Certificate of Deposit	5/7/2025	NA	129,472
			<u>\$ 222,854</u>

All of the certificate of deposits (CD) were 100% collateralized at June 30, 2024.

The balance invested in the LGIP pool is classified as cash and cash equivalents in the Villages financial statements due to their "maturity date being less than 90 days. New Mexico Local Government Investment Pool (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(1) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per Section 6-10-10. (F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3. Deposits and Investments (continued)

The carrying balance of deposits and investments shown above are included in the Village's Statement of Net position as follows:

Cash and cash equivalents - Governmental Activities per Exhibit A-1	\$	7,088,092
Restricted cash and cash equivalents - Governmental Activities per Exhibit A-1		97,210
Cash and cash equivalents - Business-type Activities per Exhibit A-1		2,009,667
Restricted cash and cash equivalents - Business-type Activities per Exhibit A-1		1,197,096
Investments (CD) - Business-type Activities Per Exhibit A-1		222,854
Total cash and cash equivalents and Investments	\$	<u>10,614,919</u>
Add: outstanding checks	\$	48,490
Less: outstanding deposits		(1,479)
Less: petty cash		(200)
Less: cash held at the New Mexico State Treasurers Office		(6,281,926)
Less: cash held at the NMFA		<u>(97,210)</u>
Bank balance of deposits	\$	<u><u>4,282,594</u></u>

NOTE 4. Accounts and Taxes Receivable

Receivables as of June 30, 2024 are as follows:

	Governmental Funds	Proprietary Funds	Total
Taxes Receivable:			
Gross receipts taxes	\$ 124,625	\$ -	\$ 124,625
Property taxes	136,927	-	136,927
Franchise taxes	16,428	-	16,428
Lodgers Taxes	18,348	-	18,348
Gas taxes	888	-	888
Other receivables:			
County receivables	48,768	-	48,768
MVD Distribution	1,975	-	1,975
Miscellaneous	1,338	-	1,338
Customer Receivables, Net	-	82,202	82,202
State grants	83,499	20,150	103,649
Total Receivables, Net	<u>\$ 432,796</u>	<u>\$ 102,352</u>	<u>\$ 535,148</u>

Governmental receivables are deemed 100% collectible. In accordance with GASB 33, property tax revenue receivables not collected within the period of availability was determined to be \$126,423 and is reclassified as deferred inflow of resources in the governmental fund financial statements.

Customer receivables in proprietary funds were \$82,202 and the Village did not accrue an allowance for doubtful accounts as they expect to collect 100% of these outstanding balances.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 5. Interfund Transfers

Operating transfers are made to close out funds and supplement other funding sources in the normal course of operations. Operating transfers for the year ended June 30, 2024 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Solid Waste	Streets	\$ 150,000
General Fund	Streets	661,902
EMS	Village Apartments	17,000
General Fund	Village Apartments	42,500
Lodgers Taxes	Recreation	38,819
Lodgers Taxes	Wildland Fire	21,181
General Fund	Wildland Fire	28,819
Impact Fees	Joint Utility	304,690
General Fund	Joint Utility	634,776
Village Apartments	Lodgers Taxes	263
Village Apartments	General Fund	1,237
Joint Utility	General Fund	703,308
		<u>\$ 2,604,495</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2024 follows (land and construction in progress is not subject to depreciation):

Governmental Activities:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:				
Land	\$ 1,522,369	\$ -	\$ -	\$ 1,522,369
Construction In Progress	1,325,007	293,534	-	1,618,541
Total capital assets not depreciated	<u>\$ 2,847,376</u>	<u>\$ 293,534</u>	<u>\$ -</u>	<u>\$ 3,140,910</u>
Capital asset depreciated:				
Equipment	\$ 2,877,542	\$ 939,607	\$ (294,948)	\$ 3,522,201
Buildings	990,266	-	-	990,266
Infrastructure	13,889,695	-	-	13,889,695
Total capital assets, depreciated	<u>\$ 17,757,503</u>	<u>\$ 939,607</u>	<u>\$ (294,948)</u>	<u>\$ 18,402,162</u>
Total capital assets	<u><u>\$ 20,604,879</u></u>			<u><u>\$ 21,543,072</u></u>
Less accumulated depreciation:				
Equipment	\$ 1,812,501	\$ 199,901	\$ (97,380)	\$ 1,915,022
Buildings	271,603	24,472	-	296,075
Infrastructure	1,970,673	347,242	-	2,317,915
Total accumulated depreciation	<u>\$ 4,054,777</u>	<u>\$ 571,615</u>	<u>\$ (97,380)</u>	<u>\$ 4,529,012</u>
Capital Assets, Net	<u><u>\$ 16,550,102</u></u>			<u><u>\$ 17,014,060</u></u>

Depreciation expense was charged to the following Governmental Activities:

General Government	\$ 251,740
Public Safety	129,518
Public Works	87,583
Culture and Recreation	102,774
	<u>\$ 571,615</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6. Capital Assets (continued)

Business-type Activities

	Balance June 30, 2024	Additions	CIP Transfers	Deletions	Balance June 30, 2024
Business-type activities:					
Capital assets not depreciated:					
Land and Water Rights	\$ 677,568	\$ -	\$ -	\$ -	\$ 677,568
Construction In Progress	252,096	194,476	-	-	446,572
Total capital assets not depreciated	<u>\$ 929,664</u>	<u>\$ 194,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,140</u>
Capital asset depreciated:					
Equipment	\$ 964,337	\$ 614,843	\$ -	\$ -	\$ 1,579,180
Buildings	190,463	-	-	-	190,463
Water and Sewer System	18,479,744	-	-	-	18,479,744
Total capital assets, depreciated	<u>\$ 19,634,544</u>	<u>\$ 614,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,249,387</u>
Total capital assets	<u>\$ 20,564,208</u>				<u>\$ 21,373,527</u>
Less accumulated depreciation:					
Distribution System	\$ 909,421	\$ 26,246	\$ -	\$ -	\$ 935,667
Equipment	184,650	1,170	-	-	185,820
Land Improvements	4,815,475	434,719	-	-	5,250,194
Total accumulated depreciation	<u>\$ 5,909,546</u>	<u>\$ 462,135</u>	<u>-</u>	<u>-</u>	<u>\$ 6,371,681</u>
Capital Assets, Net	<u>\$ 14,654,662</u>				<u>\$ 15,001,846</u>

NOTE 7. Long-term Debt

Governmental Activities

During the year ended June 30, 2024, the following changes occurred in the long-term debt reported in the Government-Wide Statement of Net Position for governmental activities:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
NMFA	\$ 1,453,581	\$ -	\$ (87,803)	\$ 1,365,778	\$ 88,723
New Mexico Tax and Revenue	67,511	-	(31,160)	36,351	31,160
Total Debt	<u>1,521,092</u>	<u>-</u>	<u>(118,963)</u>	<u>1,402,129</u>	<u>119,883</u>
Compensated Absences	128,041	45,189	(56,998)	116,232	56,998
Total Long Term Debt	<u>\$ 1,649,133</u>	<u>\$ 45,189</u>	<u>\$ (175,961)</u>	<u>\$ 1,518,361</u>	<u>\$ 176,881</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Governmental Activities (continued)

Taos Mountain Lodge (NMFA PPRF-3452)

On July 1, 2016 the Village obtained a loan from the New Mexico Finance Authority in the amount of \$1,266,477 and bears interest at a rate of 3.62%, with payments due May 1st and November 1st. The loan is for the purposes of making improvements to the Village's Offices. Revenues pledged to service this loan are municipal gross receipts imposed by the Village ordinance No. 97-18 pursuant to Section 7-19D-9 NMSA 1978. The revenues pledged total \$1,508,256 at June 30, 2024, which is 3.02% of gross receipts taxes at their current rate. During the year ended June 30, 2024 the Village recognized a total of \$257,952 in pledged GRT revenues, and retired \$69,161 in loan principal and interest.

The annual requirements to amortize NMFA PPRF-3452 including interest payments as of June 30, 2024, which is secured by GRT revenues, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 32,427	\$ 35,710	\$ 68,137
2026	33,277	34,893	68,170
2027	34,186	34,017	68,203
2028	35,170	33,067	68,237
2029	36,239	32,033	68,272
2030-2034	199,730	142,198	341,928
2035-2039	237,221	105,687	342,908
2040-2044	285,247	59,029	344,276
2045-2049	130,432	7,693	138,125
	<u>\$ 1,023,929</u>	<u>\$ 484,327</u>	<u>\$ 1,508,256</u>

New Mexico Tax and Revenue Loan Payable

On August 21, 2019 the Village entered into an agreement to repay the New Mexico Department of revenue \$186,958 due to the Village being overpaid GRT in fiscal years 2017 through 2018. Total gross receipt tax revenue pledged to repay this loan at June 30, 2024 total \$36,351 which is 1.36% of gross receipts taxes at their current rate. During the year ended June 30, 2024 the Village recognized a total of \$257,952 in pledged GRT revenues, and retired \$31,160 in loan principal.

The annual requirements to amortize the above New Mexico Tax and revenue loan as of June 30, 2024, which is secured by GRT revenues, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 31,160	\$ -	\$ 31,160
2026	5,191	-	5,191
	<u>\$ 36,351</u>	<u>\$ -</u>	<u>\$ 36,351</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Governmental Activities (continued)

See USDA Series 2020B below in Business-Type Activities for further disclosures related to pledged GRT revenues

Fire Equipment Loan PPRF-5579

On July 30, 2022 the Village obtained a loan from the New Mexico Finance Authority in the amount of \$454,116. The loan bears interest at a rate of 0.62%, and payments due every June 1st and December 1st. The loan is for the purposes of purchasing new firefighting apparatus and related equipment for the Village. Revenues pledged to service this loan are the State Fire Protection Funds made to the Village periodically by the state of New Mexico pursuant to Section 59A-53-7, NMSA 1978. The revenues pledged total \$350,003 at June 30, 2024, which is 23.20% of the State Fire Allotment at its current rate. During the year ended June 30, 2024 the Village recognized a total of \$58,417 in pledged fire allotment revenues, and retired \$58,417 in loan principal and interest.

The annual requirements to amortize NMFA PPRF-5579 including interest payments as of June 30, 2024, which is secured by the State Fire Allotment revenues, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 56,296	\$ 2,120	\$ 58,416
2026	56,476	1,940	58,416
2027	56,725	1,692	58,417
2028	57,043	1,374	58,417
2029	57,425	762	58,187
2030	57,884	266	58,150
	<u>\$ 341,849</u>	<u>\$ 8,154</u>	<u>\$ 350,003</u>

A summary of the above loans outstanding in governmental activities at June 30, 2024 are as follows:

Description	Date of Issue	Maturity Date	Interest rate	Issue Amount	Balance June 30, 2024	Current Portion
NMFA PPRF-3452 Taos Mountain Lodge	7/1/2016	5/1/2046	3.62%	\$ 1,266,447	\$ 1,023,929	\$ 32,427
New Mexico Tax and Revenue	8/21/2019	8/1/2025	0.00%	\$ 186,959	36,351	31,160
NMFA PPRF-5579 Fire Equipment Loan	7/30/2021	6/1/2036	0.62%	\$ 454,116	341,849	56,296
					<u>\$ 1,402,129</u>	<u>\$ 119,883</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Business-Type Activities

The Joint Utility has incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant, and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
NMED Loans	\$ 393,280	-	\$ (96,568)	\$ 296,712	\$ 97,727
NMFA Loans	284,985	-	(34,265)	250,720	34,249
USDA Revenue Bonds	7,047,499	-	(120,458)	6,927,041	123,263
Total debt	<u>\$ 7,725,764</u>	<u>-</u>	<u>\$ (251,291)</u>	<u>\$ 7,474,473</u>	<u>\$ 255,239</u>
Compensated Absences	22,537	3,926	(16,365)	10,098	10,098
Total Long Term Debt	<u>\$ 7,748,301</u>	<u>\$ 3,926</u>	<u>\$ (267,656)</u>	<u>\$ 7,484,571</u>	<u>\$ 265,337</u>

NMED Wastewater Treatment Plant Improvements (CWSRF - 1438049R)

The Village entered into a loan agreement with the New Mexico Environment Department for the purpose of improving the wastewater facilities of the Village. The loan was finalized on July 3, 2018 with the Village borrowing \$859,211. The loan bears interest at 1.20%. Principal and interest payments are due every November 27 in the amount of \$101,287, maturing on November 27, 2026. Revenues pledged for the payment of this loan are the net revenues of the Village's Joint Utility. The revenues pledged total \$303,862 at June 30, 2024, which is -32% of the Joint Utility net revenues at their current rate. During the year ended June 30, 2024 the Village recognized \$265,253 in pledged Joint Utility revenues, and retired \$101,287 in loan principal and interest.

The annual requirements to amortize NMED CWSRF 1438049R including interest payments as of June 30, 2024, which is secured by the net revenues of the Joint Utility, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 97,727	\$ 3,561	\$ 101,288
2026	98,899	2,388	101,287
2027	100,086	1,201	101,287
	<u>\$ 296,712</u>	<u>\$ 7,150</u>	<u>\$ 303,862</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Business-Type Activities (continued)

NMFA Water Project Loan / Grant (NMFA WPF - 776)

The Village entered into a loan grant agreement for \$511,401 and \$2,045,605 respectively with the New Mexico Finance Authority to make water system improvements to the Village. The loan grant agreement was finalized on January 15, 2010. The loan has an interest rate of 0.25%. Principal and interest payments on the loan are due June 1, and December 1, with annual payments totaling \$26,247 and maturing on June 1, 2029. Revenues pledged for the payment of this loan are the net revenues of the Village's Joint Utility System. The revenues pledged total \$157,284 at June 30, 2024, which is -8% of the Joint Utility net revenues at their current rate. During the year ended June 30, 2024 the Village recognized \$265,253 in pledged Joint Utility revenues, and retired \$26,247 in loan principal and interest.

NMFA Water Project Loan / Grant (NMFA WPF - 951)

The Village entered into a loan grant agreement for \$164,000 and \$1,476,000 respectively with the New Mexico Finance Authority to make water system improvements to the Village. The loan grant agreement was finalized on February 26, 2016. The loan has an interest rate of 0.25%. Principal and interest payments on the loan are due June 1, and December 1 with total annual payments totaling \$8,731 and fully maturing on June 1, 2035. Revenues pledged for the payment of this loan are the net revenues of the Village's Joint Utility System. The revenues pledged total \$96,052 at June 30, 2024, which is -2.8% of the Joint Utility net revenues at their current rate. During the year ended June 30, 2024 the Village recognized \$265,253 in pledged Joint Utility revenues, and retired \$8,731 in loan principal and interest.

The annual requirements to amortize NMFA WPF-776 and NMFA WPF-951 including interest payments as of June 30, 2024, which are both secured by the net revenues of the Joint Utility, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 34,249	\$ 595	\$ 34,844
2026	34,335	509	34,844
2027	34,422	423	34,845
2028	34,508	337	34,845
2029	34,594	251	34,845
2030-2034	68,887	476	69,363
2035	9,725	25	9,750
	<u>\$ 250,720</u>	<u>\$ 2,616</u>	<u>\$ 253,336</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Business-Type Activities (continued)

A summary of all the above loans outstanding in the Joint Utility at June 30, 2024 are as follows:

Description	Date of Issue	Maturity Date	Interest rate	Issue Amount	Balance June 30, 2024	Current Portion
NMED CWSRF 1438049R	11/27/2006	11/27/2026	1-3%	\$ 1,641,757	\$ 296,712	\$ 97,727
NMFA WPF - 776	1/15/2010	6/1/2029	0.25%	\$ 511,401	156,110	25,856
NMFA WPF 951	2/26/2016	6/1/2032	0.25%	\$ 164,000	94,610	8,393
					<u>\$ 547,432</u>	<u>\$ 131,976</u>

The Joint Utility had the following bonds outstanding in the Joint Utility during fiscal year 2024:

USDA Series 2020 A Joint Utility Sewer and Water Revenue Bond

On June 12, 2020 the Village issued \$3,326,485 of revenue bonds to the USDA for the purpose of constructing, enlarging, improving and extending, betterment, repair and other improvements to the Villages waste water system. The bonds bear interest at 2.42%. Payments on the bonds are due each month on the 12st in the amount of \$10,741.91 and the bonds will fully mature on June 12, 2060. Revenues pledged for the payment of these bonds are the net system revenues of the Joint Utility System. The Bonds were issued under and persistent to Village Bond Ordinance NO. 2020-64. Revenues pledged total \$4,640,241 at June 30, 2024, which is -41.3% of the net Joint Utility revenues at their current rate. During the year ended June 30, 2024 the Village recognized \$265,253 in pledged Joint Utility revenues, and retired \$128,988 in loan principal and interest.

The annual requirements to amortize the above 2020A joint water and sewer revenue bonds including interest payments as of June 30, 2024, which is secured by the net revenues of the Joint Utility, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 55,468	\$ 73,434	\$ 128,902
2026	56,801	72,102	128,903
2027	58,164	70,739	128,903
2028	59,561	69,342	128,903
2029	60,991	67,912	128,903
2030-2034	327,637	316,878	644,515
2035-2039	368,905	275,610	644,515
2040-2044	415,371	229,144	644,515
2045-2049	467,689	176,825	644,514
2050-2054	526,597	117,917	644,514
2055-2059	592,926	51,589	644,515
2060	127,084	1,555	128,639
	<u>\$ 3,117,194</u>	<u>\$ 1,523,047</u>	<u>\$ 4,640,241</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Business-Type Activities (continued)

USDA Series 2020 B Joint Utility Sewer and Water Revenue Bond

On June 12, 2020 the Village issued \$4,065,704 of revenue bonds to the USDA for the purpose of constructing, enlarging, improving and extending, betterment, repair and other improvements to the Villages waste water system. The bonds bear interest at 2.42%. Payments on the bonds are due each month on the 12st in the amount of \$13,129 and the bonds will fully mature on June 12, 2060. Revenues pledged to service this loan are municipal gross receipts imposed by the Village ordinance No. 2020-64 pursuant to Section 7-19D-9 NMSA 1978. Revenues pledged total \$5,671,373 at June 30, 2024, which is 6.89% of the gross receipt revenues at their current rate. During the year ended June 30, 2024 the Village recognized \$257,869 in pledged GRT revenues, and retired \$157,548 in loan principal and interest.

The annual requirements to amortize the above 2020B gross receipts tax revenue bonds including interest payments as of June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 67,795	\$ 89,753	\$ 157,548
2026	69,423	88,125	157,548
2027	71,090	86,458	157,548
2028	72,797	84,751	157,548
2029	74,544	83,003	157,547
2030-2034	400,445	387,295	787,740
2035-3039	450,884	336,856	787,740
3040-2044	507,675	280,065	787,740
2045-2049	571,620	216,120	787,740
2050-2054	643,619	144,121	787,740
2055-2059	724,687	63,053	787,740
2060	155,268	1,926	157,194
	<u>\$ 3,809,847</u>	<u>\$ 1,861,526</u>	<u>\$ 5,671,373</u>

A summary of the above Joint Utility 2020A and 2020B bonds at June 30, 2024 are as follows:

Description	Date of Issue	Maturity Date	Interest rate	Issue Amount	June 30, 2024	Portion
USDA Series 2020 A	6/12/2020	6/12/2060	2.42%	\$ 3,326,485	\$ 3,117,194	\$ 55,468
USDA Series 2020 B	6/12/2020	6/12/2060	2.42%	4,065,704	3,809,847	67,795
					<u>\$ 6,927,041</u>	<u>\$ 123,263</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7. Long-term Debt (continued)

Business-Type Activities (continued)

At June 30, 2024 the Village held restricted cash in the following accounts as required by the USDA 2020 A and B Revenue Bonds:

<u>Account Type</u>	<u>Amount</u>
Asset reserve account	\$ 199,348
Debt Service Account	657,435
Debt service reserve account	337,239
Operations and maintenance reserves	3,074
	<u>\$ 1,197,096</u>

NOTE 8. 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 assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverages are expected to be continued.

As of June 30, 2024, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. New Mexico Self-Insurers' Fund has not provided information 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.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association

General Information about the Pension Plan

Plan description:

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employers defined benefit pension 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 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund. PERA issues a publicly available financial report and an annual comprehensive financial report that can be obtained at: osa.nm.gov

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, 2023 available at: osa.nm.gov

Contributions

The contribution requirements of 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 2023 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in agency 366 in the note disclosures at: osa.nm.gov

The PERA coverage options that apply to the Village are: Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the Village were \$110,638 for the year ended June 30, 2024.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Contributions. See PERA's annual comprehensive financial report for Contributions Provided descriptions.

PERA Contribution Rates and Pension Factors In effect during FY23						
Coverage Plan	Employee Contribution		Employer Contribution Percentag	Pension Factor per		Pension Maximum as a Percentag
	Annual Salary less than	Annual Salary greater than		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	17.24%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.7%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.0%	8.5%	10.70%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.70%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	19.20%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.20%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	19.20%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association (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, 2023. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2023, using generally accepted actuarial principles, including contributions for the year ended June 30, 2024. Therefore, the employer's portion was established as of the measurement date June 30, 2023.

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, 2022. Only employer contributions for the pay period end dates that fell within the period of July 1, 2022 to June 30, 2023 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2024 are included in the deferred outflows of resources. 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, 2024 (measurement date 2023), the Village reported a liability of \$1,392,667 (with an allotment for proprietary funds) for its proportionate share of the net pension liability. At June 30, 2023, the Village's proportion was .0632 percent, which was slightly changed from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Village recognized PERA Fund Division Municipal General pension expense of \$130,292. At June 30, 2024, the Village reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,525	\$ 16,996
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	130,944	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	30,338	12,068
Village's contributions subsequent to the measurement date	79,659	-
Total	<u>\$ 345,466</u>	<u>\$ 29,064</u>

\$79,659 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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 Ended</u>	<u>Amount</u>
2025	\$ 71,989
2026	25,890
2027	126,941
2028	11,923
Thereafter	-
Total	<u>\$ 236,743</u>

For PERA Fund Division Municipal Police, at June 30, 2024 (measurement date 2023), the Village reported a liability of \$536,006 for its proportionate share of the net pension liability. At June 30, 2024, the Village's proportion was .05558 percent, which was slightly changed from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the Village recognized PERA Fund Division Municipal Police pension expense of \$50,669. At June 30, 2024, the Village reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,915	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	44,517	-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	91,747	2,319
Village's contributions subsequent to the measurement date	30,979	-
Total	<u>\$ 213,158</u>	<u>\$ 2,319</u>

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

The Village's contributions of \$30,979 are reported as deferred outflows of resources related to pensions, resulting in the Village's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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 Ended</u>	<u>Amount</u>
2025	\$ 69,640
2026	48,124
2027	59,032
2028	4,064
Thereafter	-
Total	<u>\$ 180,860</u>

Actuarial Assumptions: The total pension liability at June 30, 2023 was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization Period	25 years
	Changes to current assumed rates of Retirement reduce expectations.
Retirement	
Disability	Lower rates for State police, Muni Male and Muni Police
Remaining Amortization Period	25 Years
Administrative Expenses	.5% of Payroll
Actuarial assumptions:	Fair value
Investment rate of return	7.25% Static
Payroll growth	3.00% Static
Projected salary increases	3.25%-13.5%
Post Retirement Inflation	#
Mortality assumption	RPH-2014 Blue Collar Mortality

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:

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	38.0%	6.90%
Risk Reduction & Mitigation	17.0%	3.90%
Credit Oriented Fixed Income	19.0%	6.00%
Real Assets in Include Real Estate Equity	18.0%	7.00%
Multi- Risk Allocation	8.0%	0.61%
Total	<u>100%</u>	

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Discount rate

The discount rate used to measure the total pension liability was 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 GASBS 67. 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.

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.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<u>PERA Fund Division Municipal Government</u>			
Village's proportionate share of the net pension liability	\$ 2,019,159	\$ 1,392,667	\$ 871,789
<u>PERA Fund Division Municipal Police</u>			
Village's proportionate share of the net pension liability	\$ 771,893	\$ 536,006	\$ 342,920

Detailed

information about the pension plan's fiduciary net position is available in the separately issued fiscal year 2023 PERA financial report. The report is available at: nmpera.org

Payables to pension plan: As of June 30, 2024, the Village had no outstanding amounts of contributions to the pension plan.

NOTE 10. Other Post-Employment Benefits – State Retiree Health Care Plan

The Village has elected not to participate in the Retiree Health Care act of New Mexico.

NOTE 11. Subsequent Events

The date to which events occurring after June 30, 2024, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 6, 2024 which is the date on which the financial statements were available to be issued.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12. Restricted net position

The government-wide statement of net position reports restricted net position in governmental funds of \$3,350,100. For descriptions of the related enabling legislation for special revenue, capital projects, see page 34 and page 71 for descriptions of the related restrictions for special revenue, debt service capital projects funds. The government-wide statement of net position reports restricted net position in business-type activities of \$1,197,096. This amount is restricted for capital projects and debt service for the Joint Utility.

NOTE 13. Related Party

During the year the Village of Taos Ski Valley Tax Increment Development District (TIDD) paid the Village \$19,895 to reimburse the Village for work the Village's employees did for the TIDD.

NOTE 14. GASB 77 Disclosures (Tax Abatements)

The Village negotiated gross receipts and ad valorem tax abatement agreements with the Village of Taos Ski Valley Tax Increment Development District. The Village has tax abatement agreements with one entity relating to two different abatements as of June 30, 2024.

Each of these agreements was negotiated under state and local laws and has been passed by legislation or resolution as applicable. The eligibility criteria are for the entity to provide for financing of the infrastructure improvements. 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.

Tax abatements as of June 30, 2024 were as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated</u>	<u>% Abated</u>
Gross Receipts Tax:		
Village of Taos Ski Valley	\$ 2,290,761	75%
State of New Mexico	1,726,703	50%
Ad Valorem Tax:		
Village of Taos Ski Valley	282,279	75%
Taos County	144,366	35%
Total Abatements	<u>\$ 4,444,109</u>	

NOTE 15. GASB 87 and GASB 96 Disclosures

The Village had no leases which would affect GASB 87 or subscription-based information technology arrangements related to GASB 96 as of June 30, 2024.

NOTE 16. GASB 100 Accounting Changes and Error Corrections

GASB 100 accounting changes and error corrections has no effect on the Village financial statements as of June 30, 2024.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 17. Joint Powers Agreements

Bus route to Taos Ski Valley

Participants:	Village of Taos Ski Valley and North Central Regional Transit District
Purpose:	To Provide bus services to the Village of Taos Ski Valley
Responsible Party:	North Central Regional Transit District
Period:	December through March and renews each year
Project Costs:	Undeterminable
Audit Responsibility:	North Central Regional Transit District

Taos Regional Landfill

Participants:	Taos County, Town of Taos, Village of Questa, Village of Red River and Village of Taos Ski Valley,
Purpose:	To finance, acquire, and operate Taos Regional Landfill
Responsible Party:	Town of Taos
Period:	From November 2000 to November 2050.
Project Costs:	Undeterminable
Audit Responsibility:	Town of Taos

Energy Minerals and Natural Resources Department (EMNRD)

Participants:	Village of Taos Ski Valley and Energy, Mineral and Nature Resource Department (EMNRD)
Purpose:	To provide mutual wildland fire suppression and management assistance and cooperation between the Village and the Energy, Mineral and Nature Resources Department, Forestry Division (EMNRD)
Responsible Party:	EMNDRD
Period:	Runs five years, may be terminated at anytime.
Project Costs:	Undeterminable
Village's Contribution:	Make available career fire fighters and ensure personal qualifications, including fitness; tanning; experience; and wildland personal protective equipment meet the New Mexico Resource Mobilization Plan standards.
Audit Responsibility:	EMNRD

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 17. Joint Powers Agreements (continued)

Community and Economic Development

Participants:	Taos County, Colfax County, Town of Taos, Village of Questa, Village of Red River, Village of Angel Fire, Village of Eagles Nest and Village of Taos Ski Valley,
Purpose:	Development within "enchanted Circle".
Responsible Party:	Enchanted Circle Council of Governments ECCoG
Period:	July 1-June 30 each fiscal year, may be terminated prior to 180 days before year end
Project Costs:	Undeterminable
Village's Contribution:	Financial participation on project basis with other assistance as agreed to by parties.
Audit Responsibility:	ECCoG

Note 18: Other Required Disclosures

Deficit fund balances of individual funds as of June 30, 2024 were as follows:

Law Enforcement Protection Fund (LEPF): \$(32)

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedule of the Village's Proportionate Share of the Net Pension Liability PERA Fund – Municipal General
Division
Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years

Schedule I
 Page 1 of 2

	Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
MUNICIPAL GENERAL FUND		2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Village's proportion of the net pension liability (asset)		0.0658%	0.0632%	0.0639%	0.0320%	0.0639%	0.0631%	0.0588%	0.0528%	0.0446%	0.0360%
Village's proportionate share of the net pension liability (asset)		\$ 1,392,667	\$ 1,120,097	\$ 720,143	\$ 1,336,692	\$ 1,106,173	\$ 1,006,018	\$ 807,962	\$ 843,567	\$ 454,736	\$ 280,839
Village's covered-employee payroll		\$ 834,265	\$ 808,563	\$ 579,888	\$ 781,834	\$ 608,523	\$ 751,778	\$ 660,092	\$ 660,757	\$ 708,904	\$ 504,379
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		166.93%	138.53%	124.19%	219.05%	181.78%	199.09%	122.40%	127.67%	64.15%	55.68%
Plan fiduciary net position as a percentage of the total pension liability		67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

See Independent Auditors' Report

**STATE OF NEW MEXICO
Village of Taos Ski Valley**

Schedule I
Page 2 of 2

**Schedule of the Village's Proportionate Share of the Net Pension Liability PERA Fund – Municipal Police
Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years**

	Measurement Date June 30,									
MUNICIPAL POLICE FUND	2023 2024	2022 FY 2023	2021 FY 2022	2020 FY 2021	2019 FY 2020	2018 FY 2019	2017 FY 2018	2016 FY 2017	2015 FY 2016	2014 FY 2015
Village's proportion of the net pension liability (asset)	0.0556%	0.0384%	0.0366%	0.0385%	0.0378%	0.0377%	0.0772%	0.0230%	0.0238%	0.0023%
Village's proportionate share of the net pension liability (asset)	\$ 536,006	\$ 308,448	\$ 189,752	\$ 330,664	\$ 279,217	\$ 257,332	\$ 174,447	\$ 169,701	\$ 114,444	\$ 76,281
Village's covered-employee payroll	\$ 167,001	\$ 114,596	\$ 77,111	\$ 193,406	\$ 76,918	\$ 152,232	\$ 139,164	\$ 123,652	\$ 88,764	\$ 88,192
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	320.96%	269.16%	246.08%	428.82%	363.01%	168.97%	125.35%	136.00%	129.00%	86.49%
Plan fiduciary net position as a percentage of the total pension liability	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

See Independent Auditors' Report

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedules of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA - Municipal General Division
Last 10 Years

Schedule II
Page 1 of 2

	Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
		2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
MUNICIPAL GENERAL FUND											
Contractually required contribution		\$ 79,659	\$ 77,203	\$ 55,355	\$ 58,277	\$ 58,140	\$ 70,757	\$ 49,288	\$ 43,185	\$ 35,295	\$ 80,196
Contributions in relation to the contractually required contribution		\$ 79,659	\$ 77,203	\$ 55,355	\$ 58,375	\$ 58,140	\$ 50,825	\$ 62,204	\$ 49,288	\$ 35,295	\$ 80,196
Contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ (98)	\$ -	\$ (19,932)	\$ 12,916	\$ 6,103	\$ -	\$ -
Village's covered-employee payroll		\$ 834,265	\$ 808,563	\$ 579,888	\$ 610,235	\$ 608,523	\$ 751,778	\$ 660,092	\$ 660,757	\$ 708,904	\$ 504,379
Contributions as a percentage of covered-employee payroll		9.55%	9.55%	9.55%	9.57%	9.55%	6.76%	9.42%	7.46%	4.98%	15.90%

See Independent Auditors' Report

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedules of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA - Municipal Police Division
Last 10 Years

Schedule II
Page 2 of 2

	Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
		2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
MUNICIPAL POLICE FUND											
Contractually required contribution		\$ 30,979	\$ 21,260	\$ 19,715	\$ 14,574	\$ 14,535	\$ 15,382	\$ 30,077	\$ 8,662	\$ 8,819	\$ 16,668
Contributions in relation to the contractually required contribution		\$ 30,979	\$ 21,260	\$ 19,715	\$ 14,594	\$ 14,535	\$ 15,054	\$ 14,336	\$ 12,235	\$ 8,819	\$ 16,668
Contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ (20)	\$ -	\$ (328)	\$ (15,741)	\$ 3,573	\$ -	\$ -
Village's covered-employee payroll		\$ 167,001	\$ 114,596	\$ 106,275	\$ 77,111	\$ 76,918	\$ 152,232	\$ 139,164	\$ 123,652	\$ 88,764	\$ 88,192
Contributions as a percentage of covered-employee payroll		18.55%	18.55%	18.55%	18.93%	18.90%	9.89%	10.30%	9.89%	9.94%	18.90%

See Independent Auditors' Report

STATE OF NEW MEXICO
Village of Taos Ski Valley
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Changes of Benefit Terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA fiscal year 2023 audit available at: osa.nm.gov

Changes of Assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2023 report is available at: nmpera.org

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

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**STATE OF NEW MEXICO
Village of Taos Ski Valley
Nonmajor Fund Description
June 30, 2024**

Special Revenue Funds:

Emergency Medical Services (EMS) Fund - 206

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

Law Enforcement Protection Fund (LEPF) - 211

To account for a special grant for the operations and maintenance of the police department. Financing is provided by a grant from the State. The grant may be used only for the operations of the police department. Authority is Section 29-13-1 NMSA 1978.

Recreation Fund - 217

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

Village Apartments - 503

To account for revenues and expenses for a property owned by the Village where they plan to move their municipal operations. Authority is the Village Council.

Wildland Fire – 516

To account for funding sources and the related expenditures for wildland fires as required by grant agreements and Village Council.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Statement A-1

	Special Revenue					
	EMS	LEPF	Recreation	Village	Wildland	Total Other
	206	211	217	Apartments	Fire	Governmental
				528	516	Funds
Assets						
Cash and cash equivalents	\$ 249,188	\$ -	\$ 20,768	\$ 114,745	\$ 32,089	\$ 416,790
Other receivables	48,768	-	-	-	23,770	72,538
Total assets	<u>\$ 297,956</u>	<u>\$ -</u>	<u>\$ 20,768</u>	<u>\$ 114,745</u>	<u>\$ 55,859</u>	<u>\$ 489,328</u>
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 60	\$ 32	\$ 12,167	\$ 276	\$ 11,965	\$ 24,500
Accrued salaries and benefits	3,391	-	-	-	-	3,391
Total liabilities	<u>3,451</u>	<u>32</u>	<u>12,167</u>	<u>276</u>	<u>11,965</u>	<u>27,891</u>
Fund balance						
Spendable:						
Restricted for:						
General government	-	-	-	114,469	-	114,469
Public safety	294,505	-	-	-	43,894	338,399
Culture and recreation	-	-	8,601	-	-	8,601
Unassigned	-	(32)	-	-	-	(32)
Total fund balance	<u>294,505</u>	<u>(32)</u>	<u>8,601</u>	<u>114,469</u>	<u>43,894</u>	<u>461,437</u>
Total liabilities and fund balance	<u>\$ 297,956</u>	<u>\$ -</u>	<u>\$ 20,768</u>	<u>\$ 114,745</u>	<u>\$ 55,859</u>	<u>\$ 489,328</u>

STATE OF NEW MEXICO
Village of Taos Ski valley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Statement A-2

	Special Revenue					
	EMS 206	LEPF 211	Recreation 217	Village Apartments 528	Wildland Fire 516	Total Other Governmental Funds
Revenues						
State operating grants	\$ 25,000	\$ 176,000	\$ -	\$ -	\$ 23,770	\$ 224,770
Miscellaneous income	313,992	-	-	-	-	313,992
Total revenue	<u>338,992</u>	<u>176,000</u>	<u>-</u>	<u>-</u>	<u>23,770</u>	<u>538,762</u>
Expenditures						
Current:		-				
General government	-	-	-	19,765		19,765
Public safety	200,896	128,005	-	-	29,876	358,777
Culture and recreation	-	-	6,448	-	-	6,448
Capital outlay	-	53,160	25,945	-	-	79,105
Total expenditures	<u>200,896</u>	<u>181,165</u>	<u>32,393</u>	<u>19,765</u>	<u>29,876</u>	<u>464,095</u>
Excess (deficiency) of revenues over expenditures	<u>138,096</u>	<u>(5,165)</u>	<u>(32,393)</u>	<u>(19,765)</u>	<u>(6,106)</u>	<u>74,667</u>
Other financing sources (uses)						
Transfers in	-	-	38,819	59,500	50,000	148,319
Transfers out	(17,000)	-	-	(1,500)	-	(18,500)
Total other financing sources (uses)	<u>(17,000)</u>	<u>-</u>	<u>38,819</u>	<u>58,000</u>	<u>50,000</u>	<u>129,819</u>
Net change in fund balance	121,096	(5,165)	6,426	38,235	43,894	204,486
Fund balance - beginning of year	<u>173,409</u>	<u>5,133</u>	<u>2,175</u>	<u>76,234</u>	<u>-</u>	<u>256,951</u>
Fund balance - end of year	<u>\$ 294,505</u>	<u>\$ (32)</u>	<u>\$ 8,601</u>	<u>\$ 114,469</u>	<u>\$ 43,894</u>	<u>\$ 461,437</u>

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedule of Deposits and Investments
June 30, 2024

Schedule III

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	GL Balance
Centinel Bank					
General Operating	Checking - interest bearing	\$ 1,118,606	\$ 1,479	\$ (48,490)	\$ 1,071,595
Impact Fee-Roads	Savings - interest bearing	354,456	-	-	354,456
Impact Fee-Parks	Savings - interest bearing	201,126	-	-	201,126
Impact Fee-Public Safety	Savings - interest bearing	555,999	-	-	555,999
Impact Fees - Water System	Savings - interest bearing	290,281	-	-	290,281
Impact Fee-Waste Water System	Savings - interest bearing	342,176	-	-	342,176
Total Centinel Bank		<u>\$ 2,862,644</u>	<u>\$ 1,479</u>	<u>\$ (48,490)</u>	<u>\$ 2,815,633</u>
Hillcrest Bank					
Hillcrest Asset Reserve	Checking - interest bearing	\$ 199,348	\$ -	\$ -	\$ 199,348
Hillcrest Debt Service Account	Checking - interest bearing	657,435	-	-	657,435
Hillcrest Debt Service Reserve	Checking - interest bearing	337,239	-	-	337,239
Hillcrest O&M Reserve	Checking - interest bearing	3,074	-	-	3,074
Total Hillcrest Bank		<u>\$ 1,197,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,197,096</u>
Peoples Bank					
Certificate of Deposit	CD	\$ 93,382	\$ -	\$ -	\$ 93,382
Certificate of Deposit	CD	129,472	-	-	129,472
Total Peoples Bank		<u>\$ 222,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,854</u>
New Mexico State Treasurers Office					
LGIP	Savings	\$ 6,281,926	\$ -	\$ -	\$ 6,281,926
Total New Mexico State Treasurers Office Cash		<u>\$ 6,281,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,281,926</u>
NMFA Cash					
PPRF-5579 Fire Equipment	Debt S	3,190	-	-	3,190
PPRF-3452 Taos Mountain Lodge	Debt Service	23,134	-	-	23,134
PPRF-3452 Taos Mountain Lodge	Debt Service Reserve	70,886	-	-	70,886
Total NMFA Cash		<u>\$ 97,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,210</u>
Total		<u>\$ 10,661,730</u>	<u>\$ 1,479</u>	<u>\$ (48,490)</u>	<u>\$ 10,614,719</u>
Petty Cash					<u>\$ 200</u>
Total Cash and Cash Equivalents					<u>\$ 10,614,919</u>
Cash and cash equivalents - Exhibit A-1					9,097,759
Restricted cash and cash equivalents - Exhibit A-1					1,294,306
Investments - Exhibit A-1					222,854
Reconciled deposits and investments					<u>\$ 10,614,919</u>

See Independent Auditors' Report

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedule of Collateral Pledged
June 30, 2024

Schedule IV

Name of Depository	Description of Pledged Collateral	Maturity Date	CUSIP#	Fair Market Value
Centinel Bank	Espanola SCH	9/1/2025	29662RBA5	\$ 100,000
Centinel Bank	Alamogordo NM	8/1/2027	011446JD4	250,000
Centinel Bank	El Paso Independent Scho	8/15/2030	283770NY7	150,000
Centinel Bank	Alamogordo NM Muni Sch	8/1/2026	011464LD4	555,000
Centinel Bank	Ruidoso NM Muni Sch	8/1/2030	781338MU9	265,000
Centinel Bank	Bernalil NM Muni Sch	8/1/2030	085279VG9	375,000
Centinel Bank	FHLMC Pool #SB8058	8/1/2035	3132D55T5	764,116
Centinel Bank	Los Alamos NM Public Schools	8/1/2033	54422NGN0	225,000
Hillcrest Bank	FNM20074PC	12/25/2049	3136BB6W7	8,555
Hillcrest Bank	FHL5081 GB	3/25/2051	3137FFUQ8	95,723
Hillcrest Bank	FHL5081 GB	3/25/2051	3137FFUQ8	64,320
Hillcrest Bank	FHL5165 PC	11/25/2051	3137H3V82	200,335
	FNMA POOL #MA4231	1/1/2041	31418DVZ2	105,203
				<u>\$ 3,158,252</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*

Honorable Joseph M. Maestas, PE, CFE
New Mexico State Auditor
Santa Fe, New Mexico
and

To the Honorable Mayor and Village Councilors of
The Village of 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 business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund and major special revenue funds of the Village of Taos Ski Valley, New Mexico (the Village), as of and for the year ended June 30, 2024, 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 6, 2024.

Internal Control over Financial Reporting

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

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 or significant deficiencies may exist that were not identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses costs as items 2024-001, and 2024-002.

Village's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

December 6, 2024

**STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedule of Findings and Responses
June 30, 2024**

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

2023-001 – Compliance with Protective Debt Covenants – Other Non – Compliance – Repeated - Modified

SECTION III - 12-6-5 NMSA 1978 AUDIT FINDINGS

2024-001 (2021-001) – Compliance with Protective Debt Covenants – Other Noncompliance

Condition: The Village's operating income for the Joint Utility was \$(312,659), net cash provided by operating activities was \$105,041 and total debt service related to debt secured by the Joint Utility Revenues during fiscal year ending June 30, 2024 was \$265,253 and total Debt service in fiscal year 2025 related to debt secured by the net revenues of the Joint Utility revenues will be \$265,034. The debt covenants require rates and amounts to be sufficient to produce revenues annually to pay the annual operation and maintenance of the system and 100% of both the principal and interest on the system revenue bonds and other system liens.

Further, this was a previous year audit finding and the Village has not taken adequate corrective action to address the finding.

STATE OF NEW MEXICO
Village of Taos Ski Valley
Schedule of Findings and Responses
June 30, 2024

Criteria: Village Ordinance NO. 2020-64 Section 32. Protective Covenants, states the following: Rates for all services rendered by the System shall be reasonable and just, taking into account and consideration the cost and value of the System and the proper and necessary allowances for the depreciation thereof and the amounts necessary for the retirement of the System Revenue Bond and all other Parity System Lien Bonds, accruing interest thereon, and reserves therefor and there shall be charged against all purchasers of service, including the Village, such rates and amounts as shall be adequate to meet the requirement of this and the preceding Sections hereof, and which shall be sufficient to produce revenues annually to pay the annual operation and maintenance expenses of the System and one hundred per cent (100%) of both the principal of (including mandatory sinking fund redemption amounts) and interest on the System Revenue Bond and other Parity System Lien Bonds (excluding the reserves therefor), all of which revenues, including those received from the Village, shall be subject to distribution to the payment of the cost of operating and maintaining the System and the payment of principal of (including mandatory sinking fund redemption amounts) and interest on all obligations payable from the revenues of the System, including reasonable reserves thereof.

Effect: The Village is not in compliance with the Debt Covenants of the USDA Series 2020 A sewer and water system revenue bonds.

Cause: The Village rates in Water and Sewer are not adequate to produce revenues annually to pay annual operation and system maintenance expenses and 100% of the principal and interest of the system loans and bonds outstanding which are detailed in Note 7 on pages 49-52.

Auditor Recommendation: We recommend the Village perform a rate analysis to ensure all protective covenants of bonds and notes outstanding are in compliance with debt agreements and revenues are sufficient to ensure the long-term viability of the Village's utility operations.

Management Progress: As this was a prior year finding, progress was not adequate to remove finding.

Management Response: Management has implemented rate increases and will recommend further rate increases to governance to be in compliance with debt covenants.

Responsible Party: Village Governance and the Finance Director

Timeline: June 30, 2025

STATE OF NEW MEXICO
Village of Taos Ski Valley
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2024-002 – Compliance with Contract Agreement Other Noncompliance

Condition: the Village was granted a temporary easement for a period of sixty (60) days on July 14, 2023 to complete construction and the Village commence construction on April of 2024 without negating an extension of the contract.

Criteria: The contract states the construction of the Easement Area shall be completed by the Village no later than sixty (60) days from the signing of this Agreement, or this Agreement is null and void.

Effect: the Village is not in compliance with the Contract agreement between the Village and a private citizen which can bring potential liability upon the Village.

Cause: the Village did not obtain an extension to the original contract agreement before work was commenced as required by the original contract agreement.

Auditor Recommendation: We recommend the Village monitor their compliance with contracts including time requirements and expiration dates of contract.

Management Response: Management will work to monitor the Various intricacies of contract agreements including the requirements for extensions so liabilities to the Village is mitigated.

Responsible Party: Village Administrator

Timeline: June 30, 2025

**STATE OF NEW MEXICO
Village of Taos Ski Valley
Exit Conference
June 30, 2024**

Exit Conference

An exit conference was held on December 6, 2024. In attendance were the following:

Christopher Stanek	Mayor
Richard Bellis	Village Administrator
Carroll Griesedieck	Finance Director
Ann Woolridge	Village Clerk

Representing Southwest Accounting Solutions, LLC:

Robert Peixotto, CPA	Managing Member
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Auditor Prepared Financial Statements

Southwest Accounting Solutions, LLC assisted the Village 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 Village. The responsibility for the financial statements remains with the Village.