

State of New Mexico

Grant County
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON

For the Fiscal Year Ended June 30, 2015

Grant County
TABLE OF CONTENTS
 June 30, 2015

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Directory of officials	1
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	2-4
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	5-6
Statement of Activities	7-8
<i>Fund Financial Statements:</i>	
Balance Sheet--Governmental Funds	9-10
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	11
Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds	12-13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14-15
Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis)	
General Fund	16
Corre Caminos	17
Statement of Fiduciary Assets and Liabilities--Agency Funds	18
Statement of Cash Flows--Component Unit	19-20
Notes to Basic Financial Statements	21-62
OTHER SUPPLEMENTARY INFORMATION:	
Fund Descriptions	63-64

Combining Balance Sheet--Nonmajor Governmental Funds	65-70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Governmental Funds	71-76
Combining Balance Sheet--Nonmajor Fire Funds	77-78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Fire Funds	79-80
Statements of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
Special Revenue Funds:	
Fire Protection	81
Farm and Range	82
Recreation	83
Corrections	84
County Clerk's Equipment	85
Law Enforcement Protection	86
Lodgers Tax	87
Airport	88
Reappraisal	89
EMS	90
Solid Waste	91
Regional Dispatch	92
Gila/Cliff Fire	93
Fort Bayard Fire	94
Upper Mimbres Fire	95
Lower Mimbres Fire	96
Sapillo Creek Fire	97
Whiskey Creek Fire	98
Pinos Altos Fire	99
Tyrone Fire	100
Santa Rita Fire	101
CDBG Zoning	102
Drug Enforcement	103
Agency on Aging	104
Grant County Fire Administration	105
Homeland Security	106
Hospital Indigent	107
Debt Service Funds:	
Jail Revenue Bond	108
Viva Santa Rita Assessment District	109
NMFA Loan Agreement	110
Hold Harmless GRT	111
NM Waste Water System	112
NM Waste Water Reserve	113
Capital Projects Funds:	
Capital Road	114
Renovations	115
Airport Industrial Park	116
Hurley Wastewater	117
Fort Bayard	118
Economic Development	119
Capital Projects	120

Component unit:	
Gila Regional Medical Center	121
Required supplemental information:	
Schedule of Proportionate Share of Net Pension Liability of the Public Employees Retirement Association Plan-Municipal General	122
Schedule of Proportionate Share of Net Pension Liability of the Public Employees Retirement Association Plan-Municipal Police	123
Schedule of Contributions to the Public Employees Retirement Plan-Municipal General	124
Schedule of Contributions to the Public Employees Retirement Plan-Municipal Police	125
Notes to required supplemental information	126
OTHER SUPPLEMENTAL DATA:	
Schedule of Changes in Assets and Liabilities--Agency Funds	127
Schedule of Depository Collateral	128
Schedule of Individual Deposit Accounts and Investments	129
Schedule of Joint Powers Agreements	130-131
Schedule of Legislative Grants	132
Tax Roll Reconciliation	133
Schedule of Expenditures of Federal Awards	134-135
Notes to Schedule of Expenditures of Federal Awards	136
OTHER INFORMATION	
Schedule of Vendor Information	137-138
ADDITIONAL REPORTING REQUIREMENTS:	
Summary Schedule of Prior Audit Findings	139
Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	140-141
Independent Auditors Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	142-143
Schedule of Findings and Questioned Costs	144-147

Grant County
DIRECTORY OF OFFICIALS
June 30, 2015

ELECTED OFFICIALS

Brett Kasten	Commission Chairman
Gabriel Ramos	Commission Member
Ron Hall	Commission Member
Steve Armendariz	Treasurer
Raul Turrieta	Assessor
Robert Zamarripa	Clerk
Raul Villanueva	Sheriff

ADMINISTRATIVE STAFF

Charlene Webb	County Manager
Linda Vasquez	Director of Fiscal Services

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Timothy Keller, State Auditor
And
Board of Commissioners
Grant County
Silver City, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, other than the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Grant County, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise Grant County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of Grant County's nonmajor governmental funds, and the budgetary comparisons for the nonmajor special revenue funds, the debt service funds, and the capital projects funds presented as other supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents. We did not audit the financial statements or budgetary comparison of the discretely presented component unit as of and for the year ended June 30, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, , each major fund, and the aggregate remaining fund information of Grant County as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Grant County as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor special revenue funds, the debt service funds, the capital projects funds, and the component unit for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information related to the County's pension plan presented on pages 122 to 126 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Other Information

Our audit was conducted for the purpose of forming opinions on Grant County's financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules presented as other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Vendor Information, listed as other information in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2015, on our consideration of Grant County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant County's internal control over financial reporting and compliance.

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 22, 2015

Stone, McGee & Co.
Certified Public Accountants

Grant County
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Gila Regional Medical Center
ASSETS		
Current:		
Cash and investments	\$ 22,024,919	\$ -
Cash and cash equivalents		10,300,425
Other invested cash		16,694,442
Inventories		2,353,567
Taxes receivable	1,639,970	
Receivables, net	1,011,492	11,815,408
Prepaid expenses	264,616	1,428,356
Current portion of assets limited as to use		
	<u>\$ 24,940,997</u>	<u>\$ 42,592,198</u>
Noncurrent assets:		
Bond discounts	\$ 88,740	\$ -
Investments premiums	46,319	
Capital assets, net	116,386,388	30,070,340
Other assets, net		136,416
	<u>\$ 116,521,447</u>	<u>\$ 30,206,756</u>
Total noncurrent assets		
	<u>\$ 141,462,444</u>	<u>\$ 72,798,954</u>
Deferred Outflows of Resources		
Related to pensions	\$ 777,813	\$ -
	<u>\$ 777,813</u>	<u>\$ -</u>
LIABILITIES		
Current:		
Accounts payable	\$ 636,958	\$ 3,765,072
Accrued liabilities	1,828,901	3,577,994
Estimated third party payor settlements		738,512
Current maturities of long-term debt	2,523,292	
	<u>\$ 4,989,151</u>	<u>\$ 8,081,578</u>
Total current liabilities		
	<u>\$ 4,989,151</u>	<u>\$ 8,081,578</u>
Noncurrent:		
Bonds payable	\$ 63,950,000	\$ -
Notes payable	1,953,075	
Net pension liability	7,559,324	
Bond premiums	222,438	

Grant County
STATEMENT OF NET POSITION (concluded)
June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Gila Regional Medical Center
Lease payable	\$ 56,725	\$ -
Compensated absences	400,523	
Total noncurrent liabilities	\$ 74,142,085	\$ -
Total liabilities	\$ 79,131,236	\$ 8,081,578
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	\$ 3,130,423	\$ -
Unavailable revenue	1,923,691	
Total deferred inflows of resources	\$ 5,054,114	\$ -
NET POSITION		
Net investment in capital assets	\$ 54,118,722	\$ 30,070,340
Restricted for:		
Capital projects	489,036	
Debt service	7,580,918	
Other purposes	4,822,203	
Unrestricted	(8,955,972)	34,647,036
Total net position	\$ 58,054,907	\$ 64,717,376

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

Grant County
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2015

<u>Functions/Programs</u>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 7,522,652	\$ 1,620,352	\$ 919,334
Public safety	10,068,322	84,330	3,051,114
Public works	2,961,200	43,161	
Health and welfare	4,525,292	4,549,800	683,628
Culture-recreation	162,731	10,924	3,279
Debt refunding	201,453		
Unallocated interest expense	3,141,439		
	<u>\$ 28,583,089</u>	<u>\$ 6,308,567</u>	<u>\$ 4,657,355</u>
 Component Unit:			
Gila Regional Medical Center	<u>\$ 71,966,973</u>	<u>\$ 71,886,368</u>	<u>\$ 739,762</u>
 General revenues:			
Property taxes			
Gross receipt taxes			
Gas taxes			
Motor vehicle taxes			
Interest and penalties on property taxes			
Payments in lieu of taxes			
Other miscellaneous taxes			
Interest and investment earnings			
Miscellaneous			
Loss on disposition of assets			
 Total general revenues			
 Change in net position			
 Net position--beginning of year, as originally stated			
 Restatement			
 Net position--beginning of year, as restated			
 Change in net position			
 Net position--end of year			

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

Net (Expenses) Revenue
and Changes in Net Position

Capital Grants and Contributions	Governmental Activities	Component Unit
\$ -	\$ (4,982,966)	\$ -
	(6,932,878)	
700,175	(2,217,864)	
	708,136	
	(148,528)	
	(201,453)	
	(3,141,439)	
<u>\$ 700,175</u>	<u>\$ (16,916,992)</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ 659,157</u>
	\$ 8,043,285	\$ -
	4,693,377	
	177,447	
	464,982	
	102,626	
	2,061,555	
	122,034	
	108,158	111,173
	417,223	
	(3,097)	(36,011)
	<u>\$ 16,187,590</u>	<u>\$ 75,162</u>
	<u>\$ (729,402)</u>	<u>\$ 734,319</u>
	\$ 69,088,918	\$ 63,983,057
	(10,304,609)	
	\$ 58,784,309	\$ 63,983,057
	(729,402)	734,319
	<u>\$ 58,054,907</u>	<u>\$ 64,717,376</u>

Grant County
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Corre Caminos	Renovations
Assets			
Cash and investments	\$ 2,171,303	\$ -	\$ -
Accounts receivable			
Interest receivable	22,055		
Taxes receivable	1,365,091		
Prepaid expenses	264,616		
Due from other governments	28,598		248,860
Interfund receivable	1,968,256		430
Notes receivable			
Total assets	\$ 5,819,919	\$ -	\$ 249,290
Liabilities			
Accounts payable	\$ 101,754	\$ 10,858	\$ 116,202
Salaries payable	269,029	18,069	
Interfund payable	430	975,837	409,564
Total liabilities	\$ 371,213	\$ 1,004,764	\$ 525,766
Deferred Inflows of Resources			
Unavailable revenue	\$ 2,751,052	\$ -	\$ 230,728
Total deferred inflows of resources	\$ 2,751,052	\$ -	\$ 230,728
Fund balance:			
Non-spendable:			
Prepaid expenses	\$ 264,616	\$ -	\$ -
Restricted:			
Capital projects			
Debt service			
Public safety			
Health and welfare			
Public works			
General government			
Equipment purchases			
Culture and recreation			
Assigned:			
Capital projects			
Unassigned	2,433,038	(1,004,764)	(507,204)
Total fund balance	\$ 2,697,654	\$ (1,004,764)	\$ (507,204)
Total liabilities, deferred inflows of resources and fund balances	\$ 5,819,919	\$ -	\$ 249,290

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

Capital Projects	Fort Bayard Medical Facility Debt Service	Other Funds	Total Governmental Funds
\$ 5,872,121	\$ 6,893,169	\$ 7,088,326	\$ 22,024,919
		302,558	302,558
			22,055
		274,879	1,639,970
			264,616
		409,421	686,879
		90,905	2,059,591
			-
<u>\$ 5,872,121</u>	<u>\$ 6,893,169</u>	<u>\$ 8,166,089</u>	<u>\$ 27,000,588</u>
\$ 3,233	\$ -	\$ 404,911	\$ 636,958
		91,122	378,220
		673,760	2,059,591
<u>\$ 3,233</u>	<u>\$ -</u>	<u>\$ 1,169,793</u>	<u>\$ 3,074,769</u>
\$ -	\$ -	\$ 568,593	\$ 3,550,373
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,593</u>	<u>\$ 3,550,373</u>
\$ -	\$ -	\$ -	\$ 264,616
5,868,888	6,893,169	88,282	5,957,170
		2,151,547	9,044,716
		2,796,907	2,796,907
		1,445,203	1,445,203
			-
		226,998	226,998
		240,326	240,326
		55,325	55,325
		498	498
		(577,383)	343,687
<u>\$ 5,868,888</u>	<u>\$ 6,893,169</u>	<u>\$ 6,427,703</u>	<u>\$ 20,375,446</u>
<u>\$ 5,872,121</u>	<u>\$ 6,893,169</u>	<u>\$ 8,166,089</u>	<u>\$ 27,000,588</u>

Grant County
**RECONCILIATION OF TOTAL GOVERNMENTAL
 FUND BALANCE TO NET POSITION OF
 GOVERNMENTAL ACTIVITIES**

June 30, 2015

Total governmental fund balances	\$	20,375,446
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		116,386,388
Bond premiums and discounts are capitalized and amortized over the life of the bond		
Bond discounts		88,740
Bond premiums		(222,438)
Investment premiums paid are capitalized and amortized over the life of the investment		
Investment premiums		46,319
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred inflows of resources related to pensions		(3,130,423)
Deferred outflows of resources related to pensions		777,813
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		843,739
Receivables subject to the 60 day availability period		782,943
Long-term liabilities are not reported in the funds:		
Net pension liability		(7,559,324)
Bonds payable		(66,140,000)
Notes payable		(2,259,712)
Lease payable		(83,380)
Accrued interest payable		(1,450,681)
Compensated absences		(400,523)
		58,054,907
<i>Net position of governmental activities</i>	\$	58,054,907

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

Grant County
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2015

	General Fund	Corre Caminos	Renovations
Revenues:			
Property taxes	\$ 7,152,975	\$ -	\$ -
Gross receipts taxes	1,957,490		
Gas taxes	177,447		
Motor vehicle taxes	464,982		
Other taxes	153,044		
Federal intergovernmental	2,776,768	535,131	28,727
State intergovernmental	577,969		229,422
Fines, licenses and permits	9,323		
Charges for services	882,513	469,262	
Miscellaneous	388,421	4,483	
Total revenues	\$ 14,540,932	\$ 1,008,876	\$ 258,149
Expenditures:			
Current:			
General government	\$ 4,471,501	\$ 827,591	\$ -
Public safety	4,457,393		
Public works	2,823,387		
Health and welfare	81,721		
Culture recreation	44,438		
Debt service:			
Principal	102,777		
Interest	6,761		
Debt refunding			
Debt issue costs			
Capital outlay	225,412		989,404
Total expenditures	\$ 12,213,390	\$ 827,591	\$ 989,404
Revenues over (under) expenditures	\$ 2,327,542	\$ 181,285	\$ (731,255)
Other financing sources (uses):			
Transfer in	683,557	34,493	517,966
Transfer out	(2,482,978)		(76,731)
Bond discount			
Bond proceeds			
Bond premiums			
Payment to escrow			
Loan proceeds			
Net change in fund balances	\$ 528,121	\$ 215,778	\$ (290,020)
Fund balance, July 1, 2014	2,169,533	(1,220,542)	(217,184)
Fund balance, June 20, 2015	\$ 2,697,654	\$ (1,004,764)	\$ (507,204)

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

Capital Projects	Fort Bayard Medical Facility Debt Service	Other Funds	Governmental Funds Total
\$ -	\$ -	\$ 936,279	\$ 8,089,254
		2,735,887	4,693,377
			177,447
			464,982
		71,616	224,660
		461,141	3,801,767
		2,605,226	3,412,617
			9,323
	4,051,019	887,459	6,290,253
	24,017	135,436	552,357
<u>\$ -</u>	<u>\$ 4,075,036</u>	<u>\$ 7,833,044</u>	<u>\$ 27,716,037</u>
\$ -	\$ -	\$ 535,406	\$ 5,834,498
		4,327,851	8,785,244
		203	2,823,590
	10,356	2,795,033	2,887,110
		68,497	112,935
	1,170,000	1,195,222	2,467,999
	2,857,956	356,859	3,221,576
		586,629	586,629
131,360		74,205	205,565
<u>134,524</u>		<u>751,803</u>	<u>2,101,143</u>
<u>\$ 265,884</u>	<u>\$ 4,038,312</u>	<u>\$ 10,691,708</u>	<u>\$ 29,026,289</u>
\$ (265,884)	\$ 36,724	\$ (2,858,664)	\$ (1,310,252)
		2,221,448	3,457,464
(13,137)		(884,618)	(3,457,464)
(52,091)		(16,882)	(68,973)
6,200,000		3,300,000	9,500,000
		231,706	231,706
		(3,439,824)	(3,439,824)
		47,960	47,960
<u>\$ 5,868,888</u>	<u>\$ 36,724</u>	<u>\$ (1,398,874)</u>	<u>\$ 4,960,617</u>
<u>-</u>	<u>6,856,445</u>	<u>7,826,577</u>	<u>15,414,829</u>
<u>\$ 5,868,888</u>	<u>\$ 6,893,169</u>	<u>\$ 6,427,703</u>	<u>\$ 20,375,446</u>

Grant County
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2015

Net change in fund balances-total governmental funds	\$ 4,960,617
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(2,878,468)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the assets disposed of.	(3,097)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	167,723
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	(9,547,960)
Bond discounts capitalized and amortized over the life of the bond	
Bond discounts	68,973
Amortization	(3,084)
Bond premiums capitalized and amortized over the life of the bond	
Bond premiums	(231,706)
Amortization	9,268
Governmental funds report 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 contributions	777,813
Cost of benefits earned net of employee contributions	(385,138)
Investment premiums capitalized and amortized	
Investment premiums	-
Amortization	(26,976)
Repayment and refunding of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	6,292,999

Grant County
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES (concluded)**
For The Fiscal Year Ended June 30, 2015

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change for the year.	73,953
Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change for the year.	<u>(4,319)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ (729,402)</u></u>

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

Grant County
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 10,035,124	\$ 10,035,124	\$ 9,556,857	\$ (478,267)
State sources	187,541	290,541	433,136	142,595
Federal sources	2,648,597	2,706,516	2,812,323	105,807
Fines, licenses and permits	9,400	9,400	9,323	(77)
Charges for services	147,820	147,820	882,513	734,693
Miscellaneous	350,546	350,546	382,611	32,065
Total revenues	\$ 13,379,028	\$ 13,539,947	\$ 14,076,763	\$ 536,816
Expenditures:				
Current:				
General government	\$ 4,255,169	\$ 4,085,594	\$ 4,412,790	\$ (327,196)
Public safety	4,338,349	4,731,025	4,433,492	297,533
Public works	2,896,837	2,909,125	2,814,844	94,281
Health and welfare	155,924	155,924	82,030	73,894
Culture and recreation	42,200	52,200	44,438	7,762
Capital outlay	257,483	694,550	225,412	469,138
Total expenditures	\$ 11,945,962	\$ 12,628,418	\$ 12,013,006	\$ 615,412
Revenues over (under) expenditures	\$ 1,433,066	\$ 911,529	\$ 2,063,757	\$ 1,152,228
Other financing sources (uses):				
Transfer in	1,371,532	1,788,172	895,064	(893,108)
Transfer out	(2,925,721)	(3,432,504)	(2,398,428)	1,034,076
Net change in fund balance	\$ (121,123)	\$ (732,803)	\$ 560,393	\$ 1,293,196
Fund balance, July 1, 2014	3,473,580	3,473,580	3,473,580	-
Fund balance, June 30, 2015	<u>\$ 3,352,457</u>	<u>\$ 2,740,777</u>	<u>\$ 4,033,973</u>	<u>\$ 1,293,196</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 528,121	
Revenue accruals (net)			(464,169)	
Expenditure accruals (net)			200,384	
Other financing sources (uses)			296,057	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 560,393</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - CORRE CAMINOS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 376,606	\$ 1,352,936	\$ 916,414	\$ (436,522)
Charges for services	1,378,522	1,378,522	164,262	(1,214,260)
Miscellaneous	<u>15,484</u>	<u>15,484</u>	<u>4,483</u>	<u>(11,001)</u>
Total revenues	<u>\$ 1,770,612</u>	<u>\$ 2,746,942</u>	<u>\$ 1,085,159</u>	<u>\$ (1,661,783)</u>
Expenditures:				
Current:				
General government	\$ 438,647	\$ 1,414,977	\$ 831,001	\$ 583,976
Capital outlay				-
Total expenditures	<u>\$ 438,647</u>	<u>\$ 1,414,977</u>	<u>\$ 831,001</u>	<u>\$ 583,976</u>
Revenues over (under) expenditures	\$ 1,331,965	\$ 1,331,965	\$ 254,158	\$ (1,077,807)
Other financing sources (uses):				
Transfer in	<u>\$ 31,737</u>	<u>\$ 31,737</u>	<u>\$ 34,493</u>	<u>\$ 2,756</u>
Net change in fund balance	\$ 1,363,702	\$ 1,363,702	\$ 288,651	\$ (1,075,051)
Fund balance, July 1, 2014	<u>(1,264,488)</u>	<u>(1,264,488)</u>	<u>(1,264,488)</u>	<u>-</u>
Fund balance, June 30, 2015	<u><u>\$ 99,214</u></u>	<u><u>\$ 99,214</u></u>	<u><u>\$ (975,837)</u></u>	<u><u>\$ (1,075,051)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 215,778	
Revenue accruals (net)			76,283	
Expenditure accruals (net)			(3,410)	
Other financing sources (net)			<u> </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 288,651</u></u>	

The accompanying notes are an integral part of these financial statements

Grant County
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2015

Assets

Cash and investments	\$	162,460
Taxes receivable		<u>726,823</u>
Total assets	\$	<u><u>889,283</u></u>

Liabilities

Due to others	\$	<u>889,283</u>
Total liabilities	\$	<u><u>889,283</u></u>

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

Grant County
COMPONENT UNIT- GILA REGIONAL MEDICAL CENTER
STATEMENT OF CASH FLOWS
For the year ended June 30, 2015

Cash flows from operating activities:	
Cash received from patients and third-party payors	\$ 75,642,987
Cash paid to employees	(36,899,542)
Cash paid to suppliers	(31,704,820)
	\$ 7,038,625
Cash flows from noncapital financing activities:	
Grants and gifts	\$ 739,762
	\$ 739,762
Cash flows from capital and related financing activities	
Change in assets limited as to use	\$ -
Capital grants	
Purchase of capital assets	(3,397,542)
Retirement of capital assets	
Proceeds from sale of capital assets	124,125
Payment of long-term debt	
Interest paid on capital debt	
	\$ (3,273,417)
Cash flows from investing activities:	
Purchase of certificates of deposit	\$ (51,655)
Interest on investments	111,173
	\$ 59,518
Net increase (decrease) in cash and equivalents	\$ 4,564,488
Cash and equivalents, beginning of year	5,735,937
Cash and equivalents, end of year	\$ 10,300,425

Grant County
COMPONENT UNIT- GILA REGIONAL MEDICAL CENTER
STATEMENT OF CASH FLOWS (concluded)
For the year ended June 30, 2015

Reconciliation of operating income (loss) to
net cash provided (used) by operating activities:

Operating income (loss)	\$	(80,605)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense		3,434,202
Provision for bad debts		7,886,082
Changes in assets and liabilities:		
Patient accounts receivable		(7,549,653)
Other receivables		590,697
Safety net care pool receivable		190,981
Grant receivable		2,250,000
Estimated third-party settlements		388,512
Inventories		(116,807)
Prepaid expenses and deposits		(662,184)
Accounts payable and accrued expenses		707,400
		707,400
Net cash provided (used) by operating activities	\$	7,038,625

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

Grant County
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 Summary of Significant Accounting Policies

A. GENERAL

Grant County, a political subdivision of the State of New Mexico, operates under the commissioner-manager form of government. The County provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and Local Governments, through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

B. FINANCIAL REPORTING ENTITY

The County's basic financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has one component unit, Gila Regional Medical Center.

Gila Regional Medical Center is a County owned hospital. The hospital is presented discretely, meaning separate columns are provided for the hospital in the financial statements to distinguish it from the primary government. Separately issued financial statements can be obtained by writing to Gila Regional Medical Center at 1313 East 32nd Street Silver City, New Mexico 88061.

C. BASIS OF PRESENTATION

Governmental-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County has no business-type activities.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual Governmental Fund or Enterprise Fund are at least five percent of the corresponding total for all Governmental and Enterprise Funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund is used to account for resources restricted for the payment of interest and principle on the general obligation bonds of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principle and interest on the County's general obligation bonds.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Agency funds are as follows:

Property Tax Fund – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Major Funds

The funds classified as major are as follows:

General – Accounts for all activities except those accounted for in the other funds.

Special Revenue Funds:

Corre Caminos – to account for buses and vans used for public transportation, including the federal grants expended for that purpose. Authority is the County Commission.

Capital Projects:

Renovation – to account for the revenue and expenditures of various renovation projects within the County.

Capital Project – to account for bond proceeds and expenditures for various capital projects within the County.

Debt Service:

Fort Bayard Medical Facility Debt Service – to account for the payment of principal and interest on the bond issue used to construct the new facility.

Non-major Funds

Fund description for all funds are included in the “Other Supplementary Information” section of this report.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from non-exchange transactions are recognized when the earnings process is complete. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expensed are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized

when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Revenue not collected within sixty days of year end is recorded as deferred outflows of resources in the fund statements. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

Fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and approved by the local County Commission and the New Mexico Department of Finance and Administration. The Ft. Bayard Medical Facility Debt Service is not budgeted because funds are managed at the State 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.

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Commission approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

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

F. CASH AND INVESTMENTS

For the purpose of the Statement of Net Position, “cash and investments” includes all demand, savings accounts, Certificate of deposits and short-term investments of the County.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurers Investment Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the County. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

G. INTER-FUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

H. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use taxes, franchise taxes, and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investments earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivables.

I. CAPITAL ASSETS

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- | | |
|---------------------------|-------------|
| • Buildings | 25-50 years |
| • Improvements | 10-50 years |
| • Machinery and Equipment | 03-10 years |
| • Infrastructure | 25-75 years |
| • Software and Library | 5-10 years |

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Assets acquired with an original cost of \$5,000 or more are capitalized.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period, and so will be recognized as an outflow of resources (expenses/expenditures) then. The County has deferred outflows of resources related to pensions as discussed in Note 8.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The County has three types of items, one of which arises under the full accrual basis of accounting and all of which arise under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly the item unavailable revenue, has reported in both the statement of net position and the government funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government reports unavailable revenue from the following sources:

	<u>Governmental Funds Balance Sheet</u>				
	Statement Of Net <u>Position</u>	<u>General Fund</u>	<u>Renovations Fund</u>	<u>Other Funds</u>	<u>Total</u>
Advances received before recognition requirements are met	\$1,923,691	\$1,915,491	\$	\$ 8,200	\$1,923,691
Amounts not received within 60 days of year end:					
Property taxes		823,142		20,597	843,739
Intergovernmental grants		12,419	230,728	296,934	540,081
Charges for services				<u>242,862</u>	<u>242,862</u>
Total	<u>\$1,923,691</u>	<u>\$2,751,052</u>	<u>\$ 230,728</u>	<u>\$ 568,593</u>	<u>\$3,550,373</u>

In addition, the County has deferred inflows related to pensions as discussed in Note 8.

K. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principles and interest reported as expenditures.

L. COMPENSATED ABSENCES

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expenditures available financial resources.

M. EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt.”

Fund Statements

During the year ended June 30, 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.*

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Commission establishes (and modified or rescinds) fund balance commitments by adoption of a resolution or a vote of the Commission. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the County Commission through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

N. REVENUES, EXPENDITURES, AND EXPENSES

Gross Receipts Tax

The County levies a gross receipts tax on taxable gross receipts within the County. The rate includes both County and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the County in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the County in July and August have been accrued and are included under the caption “Taxes Receivable.”

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the County by the County Treasurer, and are remitted to the County in the month following collection. Because the Treasurer of the County in which the County is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the County.

The County is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the

Uninsured and uncollateralized

\$ 4,900,594

The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Sections 6-10-10I through 6-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.IF, 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 amounts fund were invested.

Investments are valued at fair value based on quoted market prices as of the valuation date.

Participation in the pool is voluntary. The County has \$99,757 on deposit in the pool at June 30, 2015, which is AAAM rated with a weighted average maturity of 54.6 days.

The cash on deposit with NMFA is, in effect, loan payments made by the County or loans generated but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$203,652.

The cash and investments with U.S. Bank and RBC Public Funds Service are solely for the construction and Debt Service requirements of the new Fort Bayard Medical Facility, and are controlled by the N.M. Department of Health, and are subject to their collateral requirements.

Note 3 Investments

As of June 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Municipal Bonds	\$ 1,209,115	\$ 1,198,539	32.93
FNMA Notes	733,371	729,495	13.33
U.S. Treasury Notes	124,937	125,176	6.50
FHLB Notes	599,053	600,669	14.50
FHLMC Notes	91,620	90,765	8.22
Corporate Notes	3,585	3,466	8.50
U.S. Government Money Market	<u>5,888,063</u>	<u>5,888,063</u>	N/A
	<u>\$ 8,649,744</u>	<u>\$ 8,636,173</u>	

Portfolio weighted average maturity (months)

21.65

Interest Rate Risk – The County limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of its investment portfolio to less than five years.

Credit Risk – The County has no investment policy beyond that prescribed by New Mexico law. As of June 30, 2015, the County's invests only in highly rated Municipal Bonds. The County's investment in Federal Home Loan Notes was rated A-1+ by Standards & Poors, and

P-1 by Moody's. The County's investment in Fannie Mae notes was rated A-1+ by Standard & Poors, and P-1 by Moody's. The County's investment in Federal Home Loan Mortgages was rated A-1+ by Standard & Poors, and P-1 by Moody's.

Concentration of Credit Risk – The County, places no limits on the amount it may invest in any one issuer. The County currently has 68% invested in government money markets, 7% invested in Federal Home Loan notes, 14% invested in Municipal Bonds, 8% invested in Fannie Mae notes, 2% in U.S. Treasury notes, and 1% invested in other securities.

Custodial Credit Risk – The County is not subject to custodial credit risk for its investments, since all are held in the name of the County.

Note 4	Receivables	Governmental <u>Activities</u>
	Accounts receivables:	
	Services (net)	\$ <u>302,558</u>
	Property taxes	\$1,054,022
	Gross receipts taxes	461,728
	Motor vehicle taxes	80,204
	Gas taxes	30,763
	Lodgers Tax	<u>13,253</u>
	Total taxes receivable	<u>\$1,639,970</u>
	Interest receivable	<u>\$ 22,055</u>
	Due from other governments:	
	Intergovernmental grants	<u>\$ 686,879</u>
	Total receivables	<u>\$2,651,462</u>

The County believes all receivables are collectible, therefore no allowance for doubtful accounts has been established.

Note 5 Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,655,787	\$ 24,522	\$	\$ 2,680,309
Construction in progress	<u>1,088,015</u>	<u>995,598</u>	<u>1,494,761</u>	<u>588,852</u>

Total capital assets not being depreciation	<u>\$ 3,743,802</u>	<u>\$ 1,020,120</u>	<u>\$ 1,494,761</u>	<u>\$ 3,269,161</u>
Capital assets being depreciated:				
Building and infrastructure	\$137,062,833	\$ 2,186,874	\$	\$139,249,707
Improvements	18,885,374			18,885,374
Equipment/vehicles/machinery	<u>25,171,589</u>	<u>388,910</u>	<u>326,336</u>	<u>25,234,163</u>
Total capital assets being depreciated	<u>\$181,119,796</u>	<u>\$ 2,575,784</u>	<u>\$ 326,336</u>	<u>\$183,369,244</u>
Less accumulated depreciation for:				
Buildings and infrastructure	\$(33,272,122)	\$(3,223,984)	\$	\$(36,496,106)
Improvements	(14,997,394)	(290,910)		(15,288,304)
Equipment/vehicles/machinery	<u>(17,326,129)</u>	<u>(1,464,717)</u>	<u>323,239</u>	<u>(18,467,607)</u>
Total accumulated depreciation	<u>\$(65,595,645)</u>	<u>\$ (4,979,611)</u>	<u>\$ 323,239</u>	<u>\$ (70,252,017)</u>
Total capital assets being depreciated, net	<u>\$115,524,151</u>	<u>\$ (2,403,827)</u>	<u>\$ (3,097)</u>	<u>\$113,117,227</u>
Governmental activity, capital assets, net	<u>\$119,267,953</u>	<u>\$ (1,383,707)</u>	<u>\$ (1,497,858)</u>	<u>\$116,386,388</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 1,593,476
Public Safety	1,493,883
Public Works	199,184
Health and Welfare	1,643,272
Culture/Recreation	<u>49,796</u>
	<u>\$ 4,979,611</u>

Note 6 Accrued Liabilities

At June 30, 2015, accrued expenses consisted of the following:

Accruals payroll and benefits	\$ 378,220
Accrued interest payable	<u>1,450,681</u>
	<u>\$ 1,828,901</u>

Note 7 Long-Term Debt

Long-Term Debt and Other Liabilities

Long-term liabilities activity for the year ended June 30, 2015, was as follows:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>	Due in <u>One Year</u>
Governmental Activities:					
Bonds					
2009 G.O. Bonds	\$ 1,700,000	\$	\$ 500,000	\$ 1,200,000	\$ 500,000
2005 G.O. Bonds	4,085,000		4,085,000	-0-	-0-
2014 GRT Reserve Bonds	-0-	6,200,000	105,000	6,095,000	135,000
2014 GO Refunding Bonds	-0-	3,300,000	-0-	3,300,000	340,000
Ft. Bayard Bonds	56,715,000		1,170,000	55,545,000	1,215,000
Notes Payable	<u>2,539,294</u>	<u>47,960</u>	<u>321,542</u>	<u>2,259,712</u>	<u>781,637</u>
 Total bonds and notes payable	 <u>\$65,039,294</u>	 <u>\$ 9,547,960</u>	 <u>\$ 6,187,542</u>	 <u>\$68,399,712</u>	 <u>\$ 2,496,637</u>
Other liabilities:					
Capital leases	\$ 188,837	\$ -0-	\$ 105,457	\$ 83,380	\$ 26,655
Compensated absences	<u>396,204</u>	<u>570,945</u>	<u>566,626</u>	<u>400,523</u>	<u>-0-</u>
 Total other liabilities	 <u>\$ 585,041</u>	 <u>\$ 570,945</u>	 <u>\$ 672,083</u>	 <u>\$ 483,903</u>	 <u>\$ 26,655</u>
 Long-term debt	 <u>\$65,624,335</u>	 <u>\$10,118,905</u>	 <u>\$ 6,859,625</u>	 <u>\$68,883,615</u>	 <u>\$ 2,523,292</u>

2005 and 2009 G.O. Bonds

At the Election, the County was given authority to issue general obligation bonds in a principal amount of up to \$10,000,000. The bonds are general obligation bonds and are being issued to finance the demolition of existing structures for and the design, construction, improvement, equipping and furnishing of a County Detention and Law Enforcement Center. The County issued \$6,000,000 of these bonds in 2005. The County issued an additional series of bonds in the amount of \$4,000,000 in 2009 to finance the completion of the Project.

The Bonds are general obligation bonds to be used by the County in the total principal amount of \$10,000,000. The bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, bearing interest from their date to maturity at varying rates payable annually on September 1 each year, commencing on September 1, 2006, and maturing on specific dates. The 2005 Series was refunded during the 2014-2015 fiscal year.

The Bonds are being issued pursuant to the County Commissioner's powers under Sections 6-15-1 et.seq., NMSA 1978, as amended and supplemented, the Constitution and other laws of the State and the Resolution. The Bonds are issued pursuant to a \$10,000,000 authorization

granted by the qualified voters in the County on August 23, 2005. The Bonds are the first series of general obligation bonds of the County authorized at the Election.

The Bonds maturing on or after September 1, 2016, are subject to redemption at the option of the County, on or after March 1, 2016, either in whole or in part on any date, at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

The Bonds are secured by the County's full faith and credit and are general obligations of the County payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the County.

Series 2014 General Obligation Refunding Bonds

On December 11, 2014, the County issued \$3,300,000 in general obligation refunding bonds with interest rates ranging between 2% and 4%. The County issued the bonds to advance refund \$3,825,000 of the outstanding series 2005 general obligation revenue bonds with interest rates ranging from 4.15% to 5%. The County used the net proceeds from the bonds along with \$586,895 in available funds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the 2005 series bonds. As a result, the 2005 series bonds are considered defeased, and the County has removed the liability from its accounts. The outstanding principal on the defeased bonds is \$3,825,000 at June 30, 2015. The intent is to retire the entire 2005 series bonds at the first available call date of March 1, 2016.

The advance refunding reduced the total debt service payments over the next 10 years by \$926,156. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$186,221.

The revenues pledged for all general obligation bond issues totaled \$5,077,225 at June 30, 2015, which is 100% of the property tax assessed specifically to retire the debt. During the year ended June 30, 2015, the County recognized \$936,266 in pledged revenues, and retired \$901,872 in bond principal and interest. Maturity dates range from 2016 to 2024.

Series 2014 Gross Receipts Tax Revenue Bonds

The County issued gross receipts tax revenue bonds of \$6,200,000 during the year ended June 30, 2015. These bonds were issued to fund various improvement projects throughout the County, and are to be repaid solely from gross receipts taxes collected by the County.

The bonds carry interest rates ranging from 2% to 3.9839% for various scheduled maturities. Maturity dates range from 2016 to 2044.

The revenues pledged totaled \$9,973,597 at June 30, 2015, which is 22% of the gross receipts tax collected at the current rate. During the year ended June 30, 2015, the County recognized \$1,533,969 in pledged revenues, and retired \$270,850 in bond principal and interest.

Lease Appropriation Bonds Fort Bayard

The Series 2008 Bonds are special, limited obligations of the County, payable solely from and secured by funds appropriated annually by the New Mexico State Legislature for basic rent payments under a lease-purchase agreement by and between Grant County, New Mexico and the Department of Health for the operation of the Fort Bayard Facility. The lien of the Series 2008 Bonds on the pledged revenues will be on parity with future Parity Bonds, if any, of the County. There are no outstanding Parity Bonds at the time of delivery of the Series 2008 Bonds. The issuance of the Series 2008 Bonds shall not directly, indirectly or contingently obligate the State or any political subdivision thereof to levy any form of taxation or to make any appropriation for their payment. The County is not pledging any of its taxing authority toward payment of the Series 2008 Bonds.

Fire Department Loans

These loans are for equipment and real property. The loans are secured by the State Fire Allotments. The revenues pledged totaled \$1,629,763 at June 30, 2015, which is 21% of the future state fire allotments at their current rate. Interest rates range from .41% to 4.2% for individually scheduled retirements, and maturity dates range from 2016 through 2035. During the year ended June 30 2015, the County recognized \$1,127,919 in pledged revenues, and retired \$247,763 in loan principal and interest.

New Mexico Finance Authority Note Payable Gila River Stabilization

On August 11, 2011, the County borrowed \$17,600 from the New Mexico Finance Authority for the stabilization project on the Gila River. The loan is to be repaid from general fund revenues, and no revenue stream is pledged to retire the debt.

Fair Barn Loan

This loan is for equipment and real property upgrades at the Grant County fair barn. The loan is secured by general fund gross receipts tax. The revenues pledged totaled \$541,775 at June 30, 2015, which is 7% of the future gross receipts tax at their current rate. Interest rates range from .32% to 1.57% for individually scheduled retirements, and maturity dates range from 2016 through 2020. During the year ended June 30, 2015, the County recognized \$1,533,969 in pledged revenues, and retired \$108,356 in loan principal and interest.

Viva Santa Rita Special Assessment District Loan

This loan is to provide infrastructure upgrades to the Viva Santa Rita Subdivision. The loan is secured by general fund revenues, but is to be repaid from special assessments to the property owners. The revenues pledged totaled \$53,986 at June 30, 2015, which is 100% of the assessments at their current rate. Interest rates range from .28% to 2.46% for individually scheduled retirements, and maturity dates range from 2016 to 2020. During the year ended June 30, 2015, the County recognized \$21,284 in pledged revenues and retired \$3,338 in loan principal and interest.

North Hurley Wastewater System Loan

This loan is to provide infrastructure upgrades to the North Hurley water system. The loan is secured by general fund revenues, but is to be repaid from fees for services. The revenues

pledged totaled \$531,082 at June 30, 2015, which is 100% of future fees. The interest rate is 2.75%, and maturity dates range from 2016 through 2054. During the year ended June 30, 2015, the County recognized \$6,965 in pledged revenues, and retired \$14,206 in loan principal and interest

The following is a schedule of the annual payments required to service the long-term debt of Grant County:

Due in Fiscal Year Ended June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,523,292	\$ 3,195,910	\$ 5,719,202
2017	2,512,364	3,085,810	5,598,174
2018	2,306,256	2,985,665	5,291,921
2019	2,175,686	2,898,620	5,074,306
2020	2,430,855	2,815,106	5,245,961
2021-2025	11,468,441	12,394,836	23,863,277
2026-2030	12,314,615	9,580,460	21,895,075
2031-2035	15,656,642	6,457,458	22,114,100
2036-2040	15,844,941	1,917,111	17,762,052
2041-2045	1,250,000	144,706	1,394,706
2046-2050		12,008	12,008
2051-2055		<u>3,567</u>	<u>3,567</u>
	<u>\$68,483,092</u>	<u>\$45,491,257</u>	<u>\$113,974,349</u>

Lease Purchase Payable

The County leases police and fire equipment, along with computer hardware and software, under various capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded in the County's assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates varying from 4.04% to 8.585%, as stated in the individual contracts. Included in fixed assets is equipment acquired under capital leases at a cost of \$2,830,907 and accumulated depreciation of \$2,331,951.

The following is a schedule of future minimum lease payments required under the leases, together with their present value as of June 30, 2015:

Fiscal year ended June 30:

2016	\$ 30,166
2017	30,166
2018	<u>30,165</u>
Total minimum lease payment	\$ 90,497
Less amounts representing imputed interest necessary to reduce future lease payments to net present value	<u>(7,117)</u>
Present value of minimum lease payments	<u>\$ 83,380</u>

Payments on the bonds payable that pertain to the County's governmental activities are made by the debt service fund. Payments made on the note payable to the New Mexico Finance Authority are made by the fund incurring the debt. Special Revenue funds make payments on capital leases that pertain to the County's governmental activities.

New Mexico Finance Authority Loan – Note Number 1

On April 19, 2002, the New Mexico Finance Authority Board gave approval for a loan in the amount of \$703,013. The loan agreement is between the Finance Authority and Grant County on behalf of the Grant County Solid Waste Authority. On July 19, 1995, Grant County entered into a joint powers agreement with the Town of Silver City, the Village of Hurley, the Village of Santa Clara, the City of Lordsburg, the County of Hidalgo, and the City of Bayard to exercise common power relating to solid waste disposal. The governments have created the Grant County Solid Waste Authority.

The Solid Waste Authority's governing body determined the need of financing for the purpose to construct administrative offices and to make improvements to the landfill. Grant County did not receive any of the proceeds from the loan. The Authority retained all proceeds. The loan is not a general obligation of the County, or debt or pledge of the faith and credit of Grant County or the State of New Mexico. The County has pledged environmental gross receipts tax revenue to satisfy the obligation of the loan. The County has authorized the New Mexico Taxation and Revenue Department to intercept the required monthly payment.

The Solid Waste Authority has entered into agreement with the County to reimburse the intercepted gross receipts tax revenues.

New Mexico Finance Authority Loan – Note Number 2

On November 21, 2003, the New Mexico Finance Authority issued a loan in the amount of \$1,732,951 to Grant County and the Grant County Solid Waste Authority. The interest rates vary between .620% and 3.79% per annum. The note matures on May 1, 2018. The Authority's governing body determined the need of financing for the purpose of reimbursing the government members of the Authority for amounts previously loaned to the Authority by its members, and refunding outstanding indebtedness of the Authority.

The County has pledged environmental gross receipts tax revenue to satisfy the obligation of the loan. The County has authorized the New Mexico Taxation and Revenue Department to intercept the required monthly payment. The Authority has entered into an agreement with the County to reimburse the intercepted gross receipts tax revenues.

Compensated Absences

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered
- leave or compensation is not contingent on a specific event (such as illness).

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the

government-wide statements. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

Note 8 Pension Plan – Public Employees Retirement Association

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description – The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer 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 a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

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, 2014 available at <http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366PublicEmployeesRetirementAssociation2014.pdf>.

Contributions – The contribution requirements of defined benefit plan members and the County 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 FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at <http://osanm.org/media/audits/366PublicEmployeesRetirementAssociation2014.pdf>. The PERA coverage options that apply to the County are the Municipal General and Municipal Police. Statutorily required contributions to the pension plan from the County were \$777,813 and employer paid member benefits that were “picked up” by the employer were \$-0- for the year ended June 30, 2015.

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, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore the employer’s portion was established as of the measurement date June 30, 2014.

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 County’s proportion of the net pension liability for each member 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, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division – Municipal General, at June 30, 2015, the County reported a liability of \$4,814,822 for its proportionate share of the net pension liability. At June

30, 2014, the County's proportion was .6172 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County recognized PERA Fund Division Municipal General pension expense of \$200,800. At June 30, 2015, the County reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	3,263
Net difference between projected and actual earnings on pension plan investments	-	1,883,686
Changes in proportion and differences between the County's contributions and proportionate share of contributions	-	-
The County's contributions subsequent to the measurement date	<u>466,687</u>	<u>-</u>
Total	<u>\$ 466,687</u>	<u>\$ 1,886,949</u>

\$466,687 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$471,733
2017	471,733
2018	471,733
2019	471,733
2020	17
Thereafter	-

For PERA Fund Division Municipal Police, at June 30, 2015, the County reported a liability of \$2,744,502 for its proportionate share of the net pension liability. At June 30, 2014, the County's proportion was .8419%, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the County recognized PERA Fund Division Municipal Police pension expense of \$184,308. At June 30, 2015, the County reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	222,947
Net difference between projected and actual earnings on pension plan investments	-	1,020,527
Changes in proportion and differences between Grant County contributions and proportionate share of contributions	-	-
Grant County contributions subsequent to the measurement date	<u>311,126</u>	<u>-</u>
Total	<u>\$ 311,126</u>	<u>\$1,243,474</u>

\$311,126 reported as deferred outflows of resources related to pensions resulting from Grant County contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2016	\$ 310,591
2017	310,591
2018	310,591
2019	310,591
2020	1,110
Thereafter	-0-

Actuarial Assumptions – As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

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:

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8%	5.20%
Private Equity	7.0%	8.20%
Core and Global Fixed Income	26.1%	1.85%
Fixed Income Plus Sectors	5.0%	4.80%
Real Estate	5.0%	5.30%
Real Assets	7.0%	5.70%

Absolute Return	<u>4.0%</u>	4.15%
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent. 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 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the County’s net pension liability in each PERA Fund Division that the County participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease	Current Discount Rate	1% Increase
PERA Fund Division Municipal General	<u>(6.75%)</u>	<u>(7.75%)</u>	<u>(8.75%)</u>
The County’s proportionate share of the net pension liability	<u>\$9,077,023</u>	<u>\$4,814,822</u>	<u>\$1,522,068</u>

Pension Fund Division Municipal Police

The County’s proportionate share of the net pension liability	<u>\$5,233,770</u>	<u>\$2,744,502</u>	<u>\$ 885,800</u>
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Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY14 restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Note 9 Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico

government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act plan on the person's behalf, unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Retiree Health Care Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., N.E., Suite 104, Albuquerque, New Mexico 87107.

Funding Policy – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2% of each participating employee's annual salary; and each participating employee was required to contribute 1% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended **June 30, 2014**, the statute required each participating employer to contribute **2.0%** of each participating employee's annual salary; each participating employee was required to contribute **1.0%** of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1

NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The County of Grant's contributions to RHCA for the year ending June 30, 2015, 2014 and 2013 were \$139,174, \$140,693, and \$139,506 respectively, which equal the required contributions for each year.

Note 10 Contingent Liabilities

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

Note 11 Future Commitments

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, and bond proceeds, constitute future commitments, and total approximately \$500,000.

Note 12 Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage, and risk of loss is transferred. The County has not incurred any losses in excess of insurance coverage in the last three years.

Note 13 Deficit Fund Balances

The County had the following deficit balances at June 30, 2015: Corre Caminos (\$1,004,764), Hold Harmless (\$260), Airport (\$55,765), Capital Road (\$187,999), Renovation (\$507,204). These deficit fund balances are due to the 60 day revenue recognition policy required by the modified accrual basis of accounting, or the fact that transfers have not yet been made from the General Fund to fund the deficits. As revenue is collected and/or transfers made, the deficit will be reduced.

Note 14 Operating Leases

The County has entered into an agreement to lease a computer system. The agreement includes the use of the computer hardware, software and support. The agreement is renewable annually. The County expects that in the normal course of business, the computer agreement will continue to be required. For the fiscal year ended June 30, 2015, the County expended \$223,596 for the computer agreement.

The County entered into a lease for road maintenance equipment, with the first lease payment due November 1, 2012. The lease term is five years and has a fair market value purchase

option at the end of the term. The County does not currently intend to purchase the equipment at the end of the lease. The County expended \$63,238 under the lease during the year ended June 30, 2015.

Future commitments under the lease are as follows:

2016	63,238
2017	63,238
2018	<u>31,619</u>
	<u>\$ 158,095</u>

Note 15 Inter-fund Activity

Inter-fund balances at June 30, 2015, consisted of the following:

	<u>Inter-Fund Payable</u>				<u>Total</u>
	<u>General</u>	<u>Corre Caminos</u>	<u>Renovations</u>	<u>Other Funds</u>	
<u>Inter-Fund Receivable</u>					
General Fund	\$	\$ 975,837	\$ 409,564	\$ 582,855	\$ 1,968,256
Renovations	430				430
Other Funds				<u>90,905</u>	<u>90,905</u>
	<u>\$ 430</u>	<u>\$ 975,837</u>	<u>\$ 409,564</u>	<u>\$ 673,760</u>	<u>\$ 2,059,591</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expense.

Interfund transfers are as follows:

	<u>General</u>	<u>Transfers From</u>			<u>Total</u>
		<u>Renovations</u>	<u>Capital Projects</u>	<u>Other Funds</u>	
<u>Transfers To</u>					
General	\$	\$ 76,731	\$	\$ 606,826	\$ 683,557
Corre Caminos	34,493				34,493
Renovations	240,174			277,792	517,966
Other Funds	<u>2,208,311</u>		<u>13,137</u>		<u>2,221,448</u>
	<u>\$2,482,978</u>	<u>\$ 76,731</u>	<u>\$ 13,137</u>	<u>\$ 884,618</u>	<u>\$ 3,457,464</u>

The transfers were made to fund debt service payments, fund construction projects and provide operating funds.

Note 16 Restricted Net Position

Net position restricted for other purposes consist of special revenue fund balances which are restricted by legislation to specific purposes. The restricting legislation is listed in the fund Descriptions appearing at the beginning of Other Supplementary Information. Major restrictions are as follows:

Grant County Fire Administration	\$ 194,699
Hospital Indigent	790,702
Fire Protection Fund	1,330,860
Clerk's equipment	240,326
Rural Fire Departments	1,186,874
Reappraisal	226,998
Other	<u>851,744</u>
	<u>\$ 4,822,203</u>

The County reports \$12,892,157 in restricted net position, of which \$12,892,157 is restricted by enabling legislation.

Note 17 Evaluation of Subsequent Events

The County has evaluated subsequent events through October 22, 2015, the date which the financial statements were available to be issued.

Note 18 Restatement

During the year ended June 30, 2015, the County adopted Governmental Accounting Standards Board Statements No. 67 and 68. These statements require the recognition of a net pension liability for the unfunded pension liabilities as currently measured by the Public Employees Retirement Association.

As a part of this measurement, the County was required to restate its net position for the estimated liability at June 30, 2014 in the amount of \$10,304,609.

**NOTES TO BASIC FINANCIAL STATEMENTS
RELATED TO COMPONENT UNIT**
June 30, 2015 and 2014

1) **Nature of Operations and Summary of Significant Accounting Policies**

Nature of Operations and Reporting Entity

Gila Regional Medical Center (the “Medical Center”) is a (68)-bed acute care hospital located in Silver City, New Mexico. The Medical Center is a component unit of Grant County (the “County”) and the Board of County Commissioners appoints members to the Board of Trustees of the Medical Center. The Medical Center primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in the Grant County area.

The Medical Center has a management advisory services agreement (MASA) with Quorum Health Resources (QHR), a healthcare management company. The MASA will expire on August 1, 2016. Management fees included in purchased services and professional fees, approximated \$45,000 and \$47,000 in 2015 and 2014, respectively. According to the agreement, QHR will provide minimal consulting services and, via Quorum Purchasing Advantage LLC (QPA), will offer unlimited access to Group Purchasing Organizations (GPO), currently HealthTrust Purchasing Group (HPG). The Medical Center will pay QPA an annual fee of \$45,000 paid in advance in monthly installments. The fee will be adjusted annually by a greater of 5% or the percentage increase in the medical component of the Consumer Price Index (CPI) for urban wage earners and clerical workers. The Medical Center will reimburse QPA for incurred travel-related expenses, which should not to exceed \$2,500 without prior written approval.

Basis of Accounting and Presentation

The Medical Center’s financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated non-exchange transactions (principally federal and state grants and county appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated non-exchange transactions. Government-mandated non-exchange transactions that are not program-specific (such as county appropriations), investment income, and interest on capital assets-related debt are included in non-operating revenues and expenses. The Medical Center first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

The Medical Center prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Certificates of Deposit

The Medical Center considers all liquid investments, with original maturities of three months or less, to be cash equivalents. Certificates of deposit have original maturities in excess of three months and are not considered to be cash equivalents.

Patient Accounts Receivable and Allowances

The Medical Center reports patient accounts receivable for services rendered at estimated net realizable amounts from third-party payors, patients, and others. Contractual allowances represent the amounts which reduce patient accounts receivable to amounts that are considered to be collectible from third-party payors based on existing contracts the Medical Center has with these payors.

The allowance for doubtful patient accounts receivable is that amount which, in management's judgment, is adequate to reduce patient accounts receivable to an amount that is considered to be ultimately collectible. The Medical Center calculates both the contractual allowance and allowance for doubtful accounts based on percentages of accounts receivable aging categories that consider historical contractual adjustments and write-offs by major payor categories. Allowances are deducted from gross patient accounts receivable on the balance sheets.

Management believes that the allowances for doubtful accounts and contractual allowances are adequate. Because of the uncertainty regarding the ultimate collectability of patient accounts receivable, there is a possibility that recorded estimates of the allowance for doubtful accounts and contractual allowances will change by a material amount in the near term.

On a monthly basis, the Medical Center evaluates patient accounts receivable balances older than six months to determine collectability. Accounts are considered uncollectible when there has been no recent payment activity and no other indication that payment will be received. Those balances that are considered uncollectible are written off upon approval from the Director of Patient Financial Services, Assistant Vice President of Finance and Chief Financial Officer, depending on the balance of the account.

Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, and include estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are

accrued on the estimated basis in the period the related services are rendered and adjusted in future periods as more information becomes available to improve estimates or final settlements are determined.

Inventories

Supply inventories consist primarily of medical and pharmaceutical supplies that are stated at the lower of cost, determined using the first-in, first-out method, or market value.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. The Medical Center's policy is to expense items with costs less than \$5,000, in accordance with Section 12-6-10 NMSA 1978. Costs incurred for repair and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the Medical Center:

Land improvements	15-20 years
Buildings and Leasehold improvements	20-40 years
Equipment	3-10 years

The Medical Center capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. All interest was charged to expense in 2015 and 2014.

Compensated Absences

The Medical Center's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits as earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned, but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date plus an additional amount for compensation-related payments, such as social security and Medicare taxes computed, using rates in effect at that date.

Net Position

Net position of the Medical Center is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those

assets. Restricted expendable net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the Medical Center, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted expendable.

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue. The Medical Center maintains records to identify and monitor the level of charity care provided. Those records include the amount of charges foregone for services and supplies furnished under the Medical Center's charity care policy and aggregated approximately \$7,319,000 and \$5,285,000 in 2015 and 2014, respectively.

Income Taxes

As a political subdivision of the County, the Medical Center is exempt from federal and state income tax.

Budget Process

The Medical Center's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of the anticipated revenues and expenditures. Budgets are approved and amended by the Finance Committee and the Board of Directors.

The Foundation

Gila Regional Medical Center Foundation (the "Foundation") is a legally separate, tax-exempt organization under Internal Revenue Code Section 501(c)(3) established primarily to raise and hold funds to support the Medical Center and its programs. Although the Medical Center does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the Medical Center. The resources and operations were determined not to be significant to the Medical Center and, therefore, the Foundation is not reported as a component unit of the Medical Center in the accompanying financial statements.

Subsequent Events

Subsequent events through September 22, 2015, the date which the financial statements were available to be issued, were evaluated for recognition and disclosure in the June 30, 2015, financial statements.

2) **Net Patient Service Revenue**

A summary of payment arrangements with major third-party payors follows:

Medicare – Services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual costs reports by the Medical Center and audits thereof by the Medical fiscal intermediary.

Medicaid – Prior to December 31, 2013, the State of New Mexico (the “State”) administered its Medicaid program through contracts with several Managed Care Organizations (MCOs). Medicaid beneficiaries were required to enroll with one of the MCOs. The State paid each MCO a per member, per month rate based on their enrollment. These amounts were allocated by each MCO to separate pools for the hospital, physicians, and ancillary providers and the MCO’s assumed the financial risk of providing health care to its members. This arrangement was referred to as SALUD!

In 2014, the State redesigned its Medicaid managed care program and Centennial Care began on January 1, 2014 with services provided by four MCOs. These services include physical health, behavioral health, long-term care and community benefits. Most individuals who are enrolled in New Mexico’s Medicaid program are eligible for Centennial Care and most adults who are eligible for New Mexico’s Medicaid Expansion receive their services through Centennial Care.

Inpatient acute care services and outpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge and discounted fee schedules. These rates vary accordingly to a patient classification system that is based on clinical, diagnostic, and other factors. The Medical Center is reimbursed for certain cost reimbursable items such as depreciation, other capital costs, and bad debts at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare and Medicaid fiscal intermediaries.

For Medicaid program billing, starting in 2013, the Medical Center started billing all outpatient services based on Ambulatory Payment Classifications (APC’s) rather than cost and a liability or receivable is no longer deemed necessary because significant adjustments are not anticipated. Previously, the majority of settlement amounts were a result of adjustments to the outpatient reimbursable costs.

Medicare and Medicaid cost report receivables (liabilities) are as follows:

	<u>June 30, 2015</u> <u>Amount</u>	<u>June 30, 2015</u> <u>Status</u>	<u>June 30, 2014</u> <u>Amount</u>
Medicare			
2012	\$ -	Final settlement	\$ (50,000)
2013	(258,512)	Tentative settlement	-0-
2014	(100,000)	Filed, pending audit	(100,000)

2015	<u>(100,000)</u>	Not filed, estimate	<u>-</u>
	<u>\$ (458,512)</u>		<u>\$ (150,000)</u>
Medicaid			
2011	\$ -	Final settlement	\$ (50,000)
2012	-	Final settlement	(50,000)
2013	(80,000)	Filed, pending audit	(50,000)
2014	(100,000)	Filed, pending audit	(50,000)
2015	<u>(100,000)</u>	Not filed, estimate	<u>-</u>
	<u>\$ (280,000)</u>		<u>\$ (200,000)</u>
Estimated third-party payor settlements	<u>\$ (738,512)</u>		<u>\$ (350,000)</u>

Management believes that these estimates are adequate. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimates are continually monitored and reviewed, and as settlements are made or more information becomes available to improve estimates, differences are reflected in current operations.

Settlements of prior-year cost reports and changes in estimates resulted in an increase of \$389,000 and a decrease of approximately \$528,000 to net patient service revenue for the years ended June 30, 2015 and 2014, respectively.

Safety Net Care Pool Program (SNCP) – SNCP provides for a county-imposed tax of one-sixteenth percent of gross receipts be permanently transferred to the “Safety Net Care Pool Fund” and expended pursuant to the Indigent Hospital and County Health Care Act. The law allows counties to budget for expenditures on ambulance services, burial expenses, and hospital or medical expenses for indigent residents of their county. The law requires that qualifying hospitals receiving payment from the Safety Net Care Pool file a quarterly report on all indigent health care funding with the Human Services Department (HSD) and the County Commission, and the HSD to submit a quarterly report to the Legislative Finance Committee containing the previous quarter’s Safety Net Care Pool Fund receipts and the disposition of funds. Revenues from the SNCP Program were approximately \$7,308,000 for the year ended June 30, 2015, of which approximately \$1,765,000 was due to the Medical Center at June 30, 2015.

Other Third-Party Payors - The Medical Center has also entered into payment agreements with certain commercial insurance carriers. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined fee schedules.

The following summary details the components of net patient service revenue for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Gross patient revenue		
Inpatient	\$ 52,126,975	\$ 56,683,661
Outpatient	<u>149,203,179</u>	<u>133,959,754</u>
Total gross patient revenue	<u>\$ 201,330,154</u>	<u>\$ 190,643,415</u>
Less contractual adjustments and provision for uncollectible accounts		
Third-party payor contractual allowances, discounts, and adjustments	\$ 129,227,852	\$ 122,099,999
Provision for uncollectible accounts	<u>7,886,082</u>	<u>7,108,710</u>
Total contractual adjustments and provision for uncollectible accounts	<u>\$ 137,113,934</u>	<u>\$ 129,208,709</u>
Net patient service revenue	<u>\$ 64,216,220</u>	<u>\$ 61,434,706</u>

3) **Deposits and Investments**

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Medical Center's deposits may not be returned to it. In accordance with Section 6-10-17, NMSA, 1978 compilation, the Medical Center is required to obtain collateral in an amount equal to one-half of the deposited public money in excess of \$250,000 and 102 percent for repurchase agreements. The Medical Center's policy is to require collateral in accordance with state statutes. As of June 30, 2015 and 2014, the Medical Center was in compliance with State collateralization requirements.

As of June 30, 2015, the Medical Center had deposits with a bank balance of \$19,362,692, of which \$1,531,281 was uninsured and uncollateralized, and therefore subject to custodial credit risk. As of June 30, 2014, the Medical Center had deposits with a bank balance of \$19,345,093, of which \$5,097,047 were uninsured and uncollateralized, and therefore subject to custodial credit risk.

On June 3, 2015 the Medical Center obtained a Line-of-Credit (LOC) issued by a federal home loan bank in the amount of \$1,700,000 to secure uninsured deposits. As of June 30, 2015, the LOC has not been drawn on. The LOC expires March 4, 2016

State Treasurer's Investment Pool

The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities, commercial paper rated not less than Grade "A" by a national rating service; bonds or other obligations issued by the State of New Mexico; the State Treasurer's *New MexiGrow* Local

Government Investment Pool (the "Pool"); and in bank repurchase agreements. It may also invest, to a limited extent, in corporate bonds and equity securities.

The Pool is not Securities and Exchange Commission registered. Section 6-10-10-1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or agencies sponsored by the United States government. The Pool's investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The Pool does not have unit shares. According to Section 6-10-10.1F, 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 funds' amounts were invested. Participation in the Pool is voluntary.

The Medical Center's value of its investment in the Pool, the credit rating of the Pool, and the weighted-average maturity (WAM) at June 30, 2015, is as follows:

June 30, 2015				
<i>New MexiGrow</i> LGIP	AAAm rated	\$ 1,060		55 day WAM

At June 30, 2015 and 2014, the Medical Center had investments with the following maturities:

<u>Type</u>	<u>June 30, 2015</u>				
	<u>Maturities in Years</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Repurchase agreement	\$7,912,128	\$7,912,128	-	-	-
State Treasurer's investment pool	<u>1,060</u>	<u>1,060</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$7,913,188</u>	<u>\$7,913,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Type</u>	<u>June 30, 2014</u>				
	<u>Maturities in Years</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasury securities and money market	\$3,297,303	\$3,297,303	\$ -	\$ -	\$ -
State Treasurer's investment pool	<u>1,059</u>	<u>1,059</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$3,298,362</u>	<u>\$3,298,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The repurchase agreement was fully collateralized at 102% at June 30, 2015 and 2014 by U.S. Government agency securities.

- *Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Medical Center’s practice is to invest in certificates of deposits and repurchase agreements with maturities of less than one year, except for funds held by a trustee for debt service.
- *Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Medical Center will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk* – The Medical Center places no limit on the amount that may be invested in any one issuer.

Reconciliation to Balance Sheets

The carrying values of deposits and investments are included in the balance sheets as follows:

	<u>2015</u>	<u>2014</u>
Carrying value:		
Deposits	\$19,081,679	\$19,080,362
Investments and New MexiGrow Pool	<u>7,913,188</u>	<u>3,298,362</u>
	<u>\$26,994,867</u>	<u>\$22,378,724</u>
Included in the following balance sheets captions		
Cash and cash equivalents	\$10,300,425	\$ 5,735,937
Certificates of deposit	<u>16,694,442</u>	<u>16,642,787</u>
	<u>\$26,994,867</u>	<u>\$22,378,724</u>

4) **Patient Accounts Receivables**

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements.

Patient accounts receivable at June 30 consisted of the items shown below:

	<u>2015</u>	<u>2014</u>
Medicare	\$10,479,664	\$10,461,315
Medicaid	6,469,184	4,215,449
Other third-party payers	6,644,036	4,488,147
Patients	<u>6,953,348</u>	<u>8,994,981</u>
	\$30,546,232	\$28,159,892
Less allowance for contractual adjustments	<u>15,867,915</u>	<u>13,012,441</u>

	\$14,678,317	\$15,147,451
Less allowance for uncollectible accounts	<u>5,020,675</u>	<u>5,153,380</u>
	<u>\$ 9,657,642</u>	<u>\$ 9,994,071</u>

5) **Capital Assets**

Capital asset activity of the Medical Center for the years ended June 30 was as follows:

	June 30, 2015				
	Beginning Balance	Additions	Disposals and Retirements	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 806,200	\$ -	\$ -	\$ -	\$ 806,200
Construction in progress	<u>246,169</u>	<u>2,064,760</u>	<u>(79,474)</u>	<u>-</u>	<u>2,231,455</u>
Total capital assets not being depreciated	<u>\$ 1,052,369</u>	<u>\$ 2,064,760</u>	<u>\$ (79,474)</u>	<u>\$ -</u>	<u>\$ 3,037,655</u>
Capital assets being depreciated:					
Land improvements	\$ 577,466	\$ -	\$ -	\$ -	\$ 577,466
Buildings	32,250,049	-	-	-	32,250,049
Equipment	<u>30,998,043</u>	<u>1,332,782</u>	<u>(5,181,964)</u>	<u>-</u>	<u>27,148,861</u>
Total capital assets Being depreciated	<u>\$ 63,825,558</u>	<u>\$ 1,332,782</u>	<u>\$(5,181,964)</u>	<u>\$ -</u>	<u>\$ 59,976,376</u>
Less accumulated depreciation:					
Land improvements	\$ 180,769	\$ 52,462	\$ -	\$ -	\$ 233,231
Buildings	14,107,153	962,286	-	-	14,969,439
Equipment	<u>20,322,869</u>	<u>2,519,454</u>	<u>(5,101,302)</u>	<u>-</u>	<u>17,741,021</u>
	<u>\$ 34,610,791</u>	<u>\$ 3,434,202</u>	<u>\$(5,101,302)</u>	<u>\$ -</u>	<u>\$ 32,943,691</u>
Capital assets, net	<u>\$ 30,267,136</u>	<u>\$ (36,660)</u>	<u>\$ (160,136)</u>	<u>\$ -</u>	<u>\$ 30,070,340</u>

	June 30, 2014				Ending Balance
	Beginning Balance	Additions	Disposals and Retirements	Transfers	
Capital assets not not being depreciated:					
Land	\$ 806,200	\$ -	\$ -	\$ -	\$ 806,200
Construction in pro- gress	<u>284,395</u>	<u>2,526,206</u>	<u> </u>	<u>(2,564,432)</u>	<u>246,169</u>
 Total capital assets not being depre- ciated	 <u>\$ 1,090,595</u>	 <u>\$ 2,526,206</u>	 <u>\$ -</u>	 <u>\$(2,564,432)</u>	 <u>\$ 1,052,369</u>
Capital assets being depreciated:					
Land improvements	\$ 577,466	\$ -	\$ -	\$ -	\$ 577,466
Buildings	32,188,167	61,882	-	-	32,250,049
Equipment	<u>29,937,089</u>	<u>1,482,008</u>	<u>(2,985,486)</u>	<u>2,564,432</u>	<u>30,998,043</u>
 Total capital assets being depreciated	 <u>\$62,702,772</u>	 <u>\$ 1,543,890</u>	 <u>\$(2,985,486)</u>	 <u>\$ 2,564,432</u>	 <u>\$ 63,825,558</u>
Less accumulated depreciation:					
Land improvements	\$ 83,100	\$ 97,669	\$ -	\$ -	\$ 180,769
Buildings	13,121,384	985,769	-	-	14,107,153
Equipment	<u>20,770,488</u>	<u>2,259,897</u>	<u>(2,707,516)</u>	<u> </u>	<u>20,322,869</u>
	 <u>\$33,974,972</u>	 <u>\$ 3,343,335</u>	 <u>\$(2,707,516)</u>	 <u>\$ -</u>	 <u>\$ 34,610,791</u>
 Capital assets, net	 <u>\$29,818,345</u>	 <u>\$ 726,761</u>	 <u>\$ (277,970)</u>	 <u>\$ -</u>	 <u>\$ 30,267,136</u>

In 2014 the Medical Center completed an analysis of its capital asset listing and wrote off \$2,985,486 of capital assets that were not in use. The net book value of these assets was \$277,970. In 2015, an analysis of the capital asset listing resulted in a \$5,181,964 write-off for assets that were not in use as of June 30, 2015. The net book value of these assets was \$160,136.

In 2014, the Medical Center was awarded a \$2,250,000 grant from the State of New Mexico for design, construction, equipment and furnishing additions to the Cancer Center. The total amount of the grant consisted of \$1,650,000 remaining from the Series 2013 Bond and \$600,000 of excess balance in the Rural County Cancer Treatment Fund. The Medical Center utilized these funds to purchase and put in service a linear accelerator at the Cancer Center.

6) **Long-Term Obligations**

The following is a summary of long-term obligation transactions for the Medical Center for the years ended June 30:

	2015				
	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>One Year</u>
Accrued compensated absences	<u>\$ 1,860,664</u>	<u>\$ 3,311,485</u>	<u>\$3,188,759</u>	<u>\$1,983,390</u>	<u>\$ 1,983,390</u>
Total long-term obligations	<u>\$ 1,860,664</u>	<u>\$ 3,311,485</u>	<u>\$3,188,759</u>	<u>\$1,983,390</u>	<u>\$ 1,983,390</u>

	2014				
	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>One Year</u>
Capital lease obligation	\$ 114,709	\$ -	\$ 114,709	\$ -	\$ -
Other long-term liabilities:					
Accrued compensated absences	<u>2,108,133</u>	<u>1,860,664</u>	<u>2,108,133</u>	<u>1,860,664</u>	<u>1,860,664</u>
Total long-term obligations	<u>\$ 2,222,842</u>	<u>\$ 1,860,664</u>	<u>\$2,222,842</u>	<u>\$ 1,860,664</u>	<u>\$ 1,860,664</u>

7) **Tax Sheltered Annuity Plan**

The Medical Center contributes to a tax sheltered retirement plan covering all eligible employees. The plan is a 403(b) plan under the Internal Revenue Code and is administered by Met Life. Eligible employees may participate in the Medical Center's retirement plan after 12 months of continuous employment on a regular full-time or part-time status. The Medical Center will contribute 2.5% of the employee's annual salary provided the employee is a participant in the plan. Beginning the fifth year of employment, the Medical Center will match an additional 2.5% of the employee's contribution up to a maximum of 5% of the employee's annual salary. Employees may contribute a maximum of 20% of their annual salary. The Medical Center's contributions for each employee are vested immediately upon contribution. The Medical Center's contributions to the plan were approximately \$615,000 and \$712,000 for the years ended June 30, 2015 and 2014, respectively. Employee contributions to the plan were approximately \$1,250,431 and \$1,181,000 for 2015 and 2014, respectively. There are no stand-alone financial reports available to the public for the plan.

8) Commitments and Contingencies

Healthcare Regulatory Environment – The healthcare industry is subject to laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, the imposition of significant fines and penalties and significant repayments for patient services previously billed.

Management believes that the Medical Center is in compliance with applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to assure health insurance portability, guarantee security and privacy of health information, enforce standards for health information and establish administrative simplification provisions. Under the Health Information Technology for Economic and Clinical Health (HITECH) Act, several of the HIPAA security and privacy requirements have been expanded, including business associates being subject to civil and criminal penalties and enforcement proceedings for violations of HIPAA. Management believes that the Medical Center is in compliance with all applicable provisions of HIPAA and HITECH.

Risk Management – The Medical Center is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Medical Malpractice Claims - The Medical Center purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Medical Center's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Litigation – In the normal course of business, the Medical Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Medical Center's commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results of operations. However, events

could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Operating Leases - The Medical Center leases equipment through operating lease agreements expiring in various years through 2016. Total rent expense for all operating leases was approximately \$1,626,000 and \$1,681,000 for 2015 and 2014, respectively.

Future minimum lease payments for non-cancelable operating leases with lease terms exceeding one year at June 30, 2015, are as follows:

Year Ending June 30.

2016	\$ 1,450,243
2017	<u>29,611</u>
Total future minimum lease payments	<u>\$ 1,479,854</u>

9) **Electronic Health Record Incentive Payment**

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011 for eligible hospitals and professionals that adopt and meaningfully use certified electronic health record (EHR) technology. Income related to Medicare and Medicaid incentive payments is recognized using a gain contingency model that is based upon when an eligible hospital has demonstrated meaningful use of certified EHR technology for the applicable period and the cost report information for the full cost report year that will determine the final calculation of the incentive payment is available.

Medicare EHR incentive calculations and related initial payment amounts are based upon the most current filed cost report information available at the time eligible hospitals demonstrate meaningful use of certified EHR technology for the applicable period. This initial payment amount will be adjusted based upon an updated calculation using the annual cost report information for the cost report period that began during the applicable payment year. Thus, incentive income recognition occurs at the point eligible hospitals demonstrate meaningful use of certified EHR technology for the applicable period and the cost report information for the full cost report year that will determine the final calculation of the incentive payment is available.

For the year ended June 30, 2014, the Medical Center recognized \$791,101 from the Medicaid incentive programs. The Medical Center included the EHR incentive program revenue in the line item "Other Revenue" in the statements of revenues, expenses and changes in net position.

In 2015, the Medical Center realized that the data used to calculate the revenue for the incentive program was incorrect. As a result, a total of \$115,657 was repaid to the program. A receivable of \$213,387 was also removed as of June 30, 2015.

SPECIAL REVENUE FUNDS

Fire Protection and Fire Administration – To account for the proceeds of the State fire allotment, and the expenditures for public safety therefrom. Established by Section 59A-6-5 NMSA 1978 as authorized by Section 59A-53-7.

Hospital Indigent – To account for the sole source provider for indigent medical services and gross receipts tax dedicated for indigent medical care. Authority is County Commission.

Farm and Range – To account for the maintenance, improvements and animal control of federal land under Section 10 of the Taylor Grazing Act of 6-28-34. The Taylor Grazing Co-Op Agreement provides financing. Funds received under this agreement are to be used strictly for the maintenance, improvements and animal control of this federal land. The Authority for the fund is given by NMSA 6-11-5.

Recreation – To account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The Authority for the fund is given by NMSA 7-12-16.

Corrections – To account for proceeds collected for the care of prisoners. The Authority for the fund is given by NMSA 33-3-25.

County Clerk's Equipment – To account for funds collected to be used for purchase of special equipment. The Authority for the fund is given by NMSA 14-8-12.2.

Law Enforcement – To account for the County's state distribution of Law Enforcement Protection funds to be used for the repair and/or replacement of law enforcement equipment. The Authority for the fund is given by NMSA 29-13-1.

Lodger's Tax – To account for the revenues specifically generated by the tax on transient lodging. Expenditures must be of a culture-recreation nature. The Authority for the fund is given by NMSA 3-38-13.

Airport – To account for self-generated revenues and the expenditures for the operation of the County airport. The Authority for the fund is given by NMSA 3-39-1.

Re-Appraisal – To account for the proceeds from property taxes and the one-percent administrative fees assessed by County Treasurers to revenue recipients. Authority given by NMSA 7-38-38.1.

Emergency Medical Service – To account for the operations and maintenance of medical service equipment in the County. The Authority for the fund is given by NMSA 24-10A-6.

Solid Waste – To account for grant monies from the New Mexico Energy, Mineral and Natural Resources Department to be used to evaluate a solid waste plan for Grant County. The fund is authorized by County resolution 90-12-27D.

Regional Dispatch – To account for the funding of a regional 911 system. The fund is authorized by NMSA 63-9D-1.

Drug Enforcement – To account for federal revenues and expenditures for illegal drug enforcement within Southwest New Mexico. The fund is authorized by County resolution.

Cliff-Gila Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Fort Bayard Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Upper Mimbres Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Lower Mimbres Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Sapillo Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Whiskey Creek Fire - To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Pinos Altos Fire - To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Tyrone Fire - To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

Santa Rita Fire – To account for the State revenues allocated to this fire district and the restricted expenditures therefrom. The Authority for the fund is given by NMSA 59A-53-1.

CDBG – Water Study/Zoning – To account for the federal (CDBG) revenues and the expenditures therefrom to fund a water study as well as a zoning study.

AOA – To account for federal and state revenues and expenditures therefrom to provide services to senior citizens.

Safe Borders – To account for federal revenues and expenditures to aid in securing our borders.

DEBT SERVICE FUND

To account for payment of principal and interest due on bonds.

CAPITAL PROJECTS FUNDS

Viva Santa Rita – To account for the assessment revenues and expenditures to improve roads in this area of the County.

Fort Bayard Medical Facility – To account for the bond proceeds and expenditures therefrom to construct the new medical facility.

Hurley Waste Water – To account for the federal revenue and expenditure therefrom to improve the Waste Water facility in Hurley.

Capital Road Projects - To account for co-operative agreements with the New Mexico Department of Transportation to construct or improve elected projects.

Economic Development – To account for revenue and expenditures to improve economic development within the County.

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

	Special Revenue Funds			
	Fire Protection	Hospital Indigent	Farm and Range	Recreation
Assets				
Cash and investments	\$ 1,381,497	\$ 841,932	\$ 2,989	\$ 327
Interfund receivable				
Accounts receivable				
Interest receivable				
Taxes receivable	24,099	94,159	504	
Due from other governments				
Notes receivable				
Total assets	\$ 1,405,596	\$ 936,091	\$ 3,493	\$ 327
Liabilities				
Accounts payable	\$ 74,736	\$ 145,389	\$ 723	\$ -
Salaries payable				
Interfund payable				
Total liabilities	\$ 74,736	\$ 145,389	\$ 723	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ -	\$ 502	\$ -
Total deferred inflows of resources	\$ -	\$ -	\$ 502	\$ -
Fund balances:				
Restricted:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety	1,330,860			
Health and welfare		790,702	2,268	
General government				
Equipment purchases				
Culture and recreation				327
Assigned:				
Health and welfare				
Capital projects				
Unassigned				
Total fund balance	\$ 1,330,860	\$ 790,702	\$ 2,268	\$ 327
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,405,596	\$ 936,091	\$ 3,493	\$ 327

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

Special Revenue Funds

<u>Corrections</u>	<u>Clerk's Equipment</u>	<u>Law Enforcement</u>	<u>Lodgers Tax</u>	<u>Airport</u>	<u>Reappraisal</u>
\$ 155,852	\$ 240,326	\$ 1	\$ 41,745	\$ -	\$ 227,239
50,067			13,253	17,813	
<u>\$ 205,919</u>	<u>\$ 240,326</u>	<u>\$ 1</u>	<u>\$ 54,998</u>	<u>\$ 17,813</u>	<u>\$ 227,239</u>
\$ 52,866	\$ -	\$ -	\$ -	\$ 8,422	\$ 241
65,085				47,343	
<u>\$ 117,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,765</u>	<u>\$ 241</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,813</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,813</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87,968		1			
	240,326				226,998
			54,998		
				(55,765)	
<u>\$ 87,968</u>	<u>\$ 240,326</u>	<u>\$ 1</u>	<u>\$ 54,998</u>	<u>\$ (55,765)</u>	<u>\$ 226,998</u>
<u>\$ 205,919</u>	<u>\$ 240,326</u>	<u>\$ 1</u>	<u>\$ 54,998</u>	<u>\$ 17,813</u>	<u>\$ 227,239</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
June 30, 2015

	Special Revenue Funds			
	EMS	Solid Waste	Regional Dispatch	HIDTA
Assets				
Cash and investments	\$ 24,937	\$ 543,843	\$ 10,526	\$ 54
Interfund receivable				
Accounts receivable		290,346		
Interest receivable				
Taxes receivable		12,048	50,076	
Due from other governments				
Notes receivable				
Total assets	\$ 24,937	\$ 846,237	\$ 60,602	\$ 54
Liabilities				
Accounts payable	\$ 3,201	\$ 97,488	\$ 3,766	\$ -
Salaries payable			15,931	
Interfund payable				
Total liabilities	\$ 3,201	\$ 97,488	\$ 19,697	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ 230,650	\$ -	\$ -
Total deferred inflows of resources	\$ -	\$ 230,650	\$ -	\$ -
Fund balances:				
Restricted:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety	21,736		40,905	54
Health and welfare		518,099		
General government				
Equipment purchases				
Culture and recreation				
Assigned:				
Health and welfare				
Capital projects				
Unassigned				
Total fund balance	\$ 21,736	\$ 518,099	\$ 40,905	\$ 54
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,937	\$ 846,237	\$ 60,602	\$ 54

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

Special Revenue Funds					Capital Projects Funds
Rural Fire Departments	CDBG Zoning	AOA	Fire Administration	Safe Border	Viva Santa Rita
\$ 1,138,589 53,269	\$ 498	\$ 37,416	\$ 195,150	\$ -	\$ 47,632
		112,487		88,329	
<u>\$ 1,191,858</u>	<u>\$ 498</u>	<u>\$ 149,903</u>	<u>\$ 195,150</u>	<u>\$ 88,329</u>	<u>\$ 47,632</u>
\$ 4,984	\$ -	\$ 5,663 10,106	\$ 451	\$ 3,843	\$ -
				329,516	36,579
<u>\$ 4,984</u>	<u>\$ -</u>	<u>\$ 15,769</u>	<u>\$ 451</u>	<u>\$ 333,359</u>	<u>\$ 36,579</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,329</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,329</u>	<u>\$ -</u>
\$ 20,766 45,424 1,120,684	\$ -	\$ -	\$ -	\$ -	\$ 11,053
		134,134	194,699		
	498			(333,359)	
<u>\$ 1,186,874</u>	<u>\$ 498</u>	<u>\$ 134,134</u>	<u>\$ 194,699</u>	<u>\$ (333,359)</u>	<u>\$ 11,053</u>
<u>\$ 1,191,858</u>	<u>\$ 498</u>	<u>\$ 149,903</u>	<u>\$ 195,150</u>	<u>\$ 88,329</u>	<u>\$ 47,632</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (concluded)
June 30, 2015

	Capital Projects Funds			
	Fort Bayard	Hurley Waste Water	Capital Road	Economic Development
Assets				
Cash and investments	\$ 53,686	\$ 25,013	\$ -	\$ 2,777
Interfund receivable				
Accounts receivable				
Interest receivable				
Taxes receivable				
Due from other governments			190,792	
Notes receivable				
Total assets	\$ 53,686	\$ 25,013	\$ 190,792	\$ 2,777
Liabilities				
Accounts payable	\$ -	\$ -	\$ 2,081	\$ -
Salaries payable				
Interfund payable		16,813	185,918	
Total liabilities	\$ -	\$ 16,813	\$ 187,999	\$ -
Deferred Inflows of Resources				
Unavailable revenue	\$ -	\$ 8,200	\$ 190,792	\$ -
Total deferred inflows of resources	\$ -	\$ 8,200	\$ 190,792	\$ -
Fund balances:				
Restricted:				
Capital projects	\$ 53,686	\$ -	\$ -	\$ 2,777
Debt service				
Public safety				
Health and welfare				
General government				
Equipment purchases				
Culture and recreation				
Assigned:				
Health and welfare				
Capital projects				
Unassigned			(187,999)	
Total fund balance	\$ 53,686	\$ -	\$ (187,999)	\$ 2,777
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,686	\$ 25,013	\$ 190,792	\$ 2,777

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

Debt Service Funds

Jail Revenue Bond	NMFA Loan Agreement	Viva Santa Rita Assess	Hold Harmless	NM WW System	NM WW Reserve	Total
\$ 1,986,197	\$ 53,269	\$ - 36,579 12,212	\$ -	\$ 1,240 1,057	\$ 75,591	\$ 7,088,326 90,905 302,558 - 274,879 409,421 -
30,673						
<u>\$ 2,016,870</u>	<u>\$ 53,269</u>	<u>\$ 48,791</u>	<u>\$ -</u>	<u>\$ 2,297</u>	<u>\$ 75,591</u>	<u>\$ 8,166,089</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,057	\$ -	\$ 404,911 91,122 673,760
	53,269	4,062	260			
<u>\$ -</u>	<u>\$ 53,269</u>	<u>\$ 4,062</u>	<u>\$ 260</u>	<u>\$ 1,057</u>	<u>\$ -</u>	<u>\$ 1,169,793</u>
<u>\$ 20,095</u>	<u>\$ -</u>	<u>\$ 12,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,593</u>
<u>\$ 20,095</u>	<u>\$ -</u>	<u>\$ 12,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,593</u>
\$ - 1,996,775	\$ -	\$ - 32,517	\$ -	\$ - 1,240	\$ - 75,591	\$ 88,282 2,151,547 2,796,907 1,445,203 226,998 240,326 55,325 - - 498 (577,383)
			(260)			
<u>\$ 1,996,775</u>	<u>\$ -</u>	<u>\$ 32,517</u>	<u>\$ (260)</u>	<u>\$ 1,240</u>	<u>\$ 75,591</u>	<u>\$ 6,427,703</u>
<u>\$ 2,016,870</u>	<u>\$ 53,269</u>	<u>\$ 48,791</u>	<u>\$ -</u>	<u>\$ 2,297</u>	<u>\$ 75,591</u>	<u>\$ 8,166,089</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For The Fiscal Year Ended June 30, 2015

Special Revenue Funds

	Fire Protection	Hospital Indigent	Farm and Range	Recreation
Revenues:				
Property taxes	\$ -	\$ -	\$ 13	\$ -
Gross receipts taxes	328,082	1,080,877		
Other taxes				
Federal sources			18,730	
State sources				279
Charges for services				
Miscellaneous	28	3,684		
Total revenues	\$ 328,110	\$ 1,084,561	\$ 18,743	\$ 279
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	323,884			
Public works				
Health and welfare		1,562,461	37,193	
Culture recreation				
Debt service:				
Principle				
Interest				
Debt issue costs				
Debt refunding				
Capital outlay				
Total expenditures	\$ 323,884	\$ 1,562,461	\$ 37,193	\$ -
Revenues over (under) expenditures	\$ 4,226	\$ (477,900)	\$ (18,450)	\$ 279
Other financing sources (uses):				
Transfer in	81,332	(118,010)		
Transfer (out)				
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds				
Net changes in fund balances	\$ 85,558	\$ (595,910)	\$ (18,450)	\$ 279
Fund balance, July 1, 2014	1,245,302	1,386,612	20,718	48
Fund balance, June 30, 2015	\$ 1,330,860	\$ 790,702	\$ 2,268	\$ 327

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

Special Revenue Funds

<u>Corrections</u>	<u>Clerk's Equipment</u>	<u>Law Enforcement</u>	<u>Lodgers Tax</u>	<u>Airport</u>	<u>Reappraisal</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
581,121			71,616		
383,972	33,726	43,400		194,390	107,835
895				222,612	
<u>\$ 965,988</u>	<u>\$ 33,726</u>	<u>\$ 43,400</u>	<u>\$ 71,616</u>	<u>\$ 417,002</u>	<u>\$ 107,835</u>
\$ -	\$ 10,896	\$ -	\$ -	\$ 467,312	\$ 55,967
2,612,369		37,738			
			68,497		
		6,794		203,161	19,484
<u>\$ 2,612,369</u>	<u>\$ 10,896</u>	<u>\$ 44,532</u>	<u>\$ 68,497</u>	<u>\$ 670,473</u>	<u>\$ 75,451</u>
\$ (1,646,381)	\$ 22,830	\$ (1,132)	\$ 3,119	\$ (253,471)	\$ 32,384
1,670,263				207,371	
			(3,000)		
\$ 23,882	\$ 22,830	\$ (1,132)	\$ 119	\$ (46,100)	\$ 32,384
64,086	217,496	1,133	54,879	(9,665)	194,614
<u>\$ 87,968</u>	<u>\$ 240,326</u>	<u>\$ 1</u>	<u>\$ 54,998</u>	<u>\$ (55,765)</u>	<u>\$ 226,998</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2015

	Special Revenue Funds			
	EMS	Solid Waste	Regional Dispatch	HIDTA
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes		164,034	581,773	
Other taxes				
Federal sources				
State sources	46,041			
Charges for services		411,857		
Miscellaneous		27,036	26,542	
	<u>46,041</u>	<u>602,927</u>	<u>608,315</u>	<u>-</u>
Total revenues	<u>\$ 46,041</u>	<u>\$ 602,927</u>	<u>\$ 608,315</u>	<u>\$ -</u>
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	44,067		663,816	
Public works				
Health and welfare		630,012		
Culture recreation				
Debt service				
Principle				
Interest				
Debt issue costs				
Debt refunding				
Capital outlay			13,907	
	<u>44,067</u>	<u>630,012</u>	<u>677,723</u>	<u>-</u>
Total expenditures	<u>\$ 44,067</u>	<u>\$ 630,012</u>	<u>\$ 677,723</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ 1,974	\$ (27,085)	\$ (69,408)	\$ -
Other financing sources (uses):				
Transfer in	2,081			14,771
Transfer (out)	(81,332)	(135,000)		(54,058)
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds				
	<u>2,081</u>	<u>(135,000)</u>		<u>14,771</u>
Net changes in fund balances	\$ (77,277)	\$ (162,085)	\$ (69,408)	\$ (39,287)
Fund balance, July 1, 2014	<u>99,013</u>	<u>680,184</u>	<u>110,313</u>	<u>39,341</u>
Fund balance, June 30, 2015	<u>\$ 21,736</u>	<u>\$ 518,099</u>	<u>\$ 40,905</u>	<u>\$ 54</u>

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

Special Revenue Funds					Capital Projects Funds
Rural Fire Departments	CDBG Zoning	AOA	Fire Administration	Safe Border	Viva Santa Rita
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,268,097		182,199 368,786 90,145	70,089	211,611	
<u>18,059</u>					<u>32</u>
<u>\$ 1,286,156</u>	<u>\$ -</u>	<u>\$ 641,130</u>	<u>\$ 70,089</u>	<u>\$ 211,611</u>	<u>\$ 32</u>
\$ - 356,370	\$ -	\$ -	\$ - 43,462	\$ - 246,145	\$ - 203
321,222 40,752		565,367			360
<u>218,001</u>					<u>36,376</u>
<u>\$ 936,345</u>	<u>\$ -</u>	<u>\$ 565,367</u>	<u>\$ 43,462</u>	<u>\$ 246,145</u>	<u>\$ 36,939</u>
\$ 349,811	\$ -	\$ 75,763	\$ 26,627	\$ (34,534)	\$ (36,907)
(314,470)					
					<u>47,960</u>
\$ 35,341	\$ -	\$ 75,763	\$ 26,627	\$ (34,534)	\$ 11,053
<u>1,151,533</u>	<u>498</u>	<u>58,371</u>	<u>168,072</u>	<u>(298,825)</u>	
<u>\$ 1,186,874</u>	<u>\$ 498</u>	<u>\$ 134,134</u>	<u>\$ 194,699</u>	<u>\$ (333,359)</u>	<u>\$ 11,053</u>

Grant County
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)

For The Fiscal Year Ended June 30, 2015

	Capital Projects Funds			
	Fort Bayard	Hurley Waste Water	Capital Road	Airport Industrial Park
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes				
Other taxes				
Federal sources		48,601		
State sources			230,172	
Charges for services				
Miscellaneous				
Total revenues	\$ -	\$ 48,601	\$ 230,172	\$ -
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety				
Public works				
Health and welfare				
Culture recreation				
Debt service				
Principle				
Interest				
Debt issue costs				
Debt refunding				
Capital outlay		48,601	205,479	
Total expenditures	\$ -	\$ 48,601	\$ 205,479	\$ -
Revenues over (under) expenditures	\$ -	\$ -	\$ 24,693	\$ -
Other financing sources (uses):				
Transfer in			2,396	
Transfer (out)			(85)	(296,673)
Bond proceeds				
Bond premiums				
Bond discount				
Payment to escrow				
Loan proceeds				
Net changes in fund balances	\$ -	\$ -	\$ 27,004	\$ (296,673)
Fund balance, July 1, 2014	53,686		(215,003)	296,673
Fund balance, June 30, 2015	\$ 53,686	\$ -	\$ (187,999)	\$ -

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

Capital Projects Funds	Debt Service Funds					Total
	Jail Revenue Bond	Viva Santa Rita Assess	Hold Harmless	NM WW System	NM WW Reserve	
\$ -	\$ 936,266	\$ -	\$ -	\$ -	\$ -	\$ 936,279
						2,735,887
						71,616
						461,141
						2,605,226
		21,284				887,459
	58,957		203			135,436
<u>\$ -</u>	<u>\$ 995,223</u>	<u>\$ 21,284</u>	<u>\$ 203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,833,044</u>
\$ -	\$ 1,231	\$ -	\$ -	\$ -	\$ -	\$ 535,406
						4,327,851
						203
						2,795,033
						68,497
	760,000	2,941	105,000	6,059		1,195,222
	141,872	418	165,850	7,967		356,859
	73,845					74,205
	586,629					586,629
						751,803
<u>\$ -</u>	<u>\$ 1,563,577</u>	<u>\$ 3,359</u>	<u>\$ 270,850</u>	<u>\$ 14,026</u>	<u>\$ -</u>	<u>\$ 10,691,708</u>
\$ -	\$ (568,354)	\$ 17,925	\$ (270,647)	\$ (14,026)	\$ -	\$ (2,858,664)
			270,387	15,266	75,591	2,221,448
						(884,618)
	3,300,000					3,300,000
	231,706					231,706
	(16,882)					(16,882)
	(3,439,824)					(3,439,824)
						47,960
\$ -	\$ (493,354)	\$ 17,925	\$ (260)	\$ 1,240	\$ 75,591	\$ (1,398,874)
2,777	2,490,129	14,592	-	-	-	7,826,577
<u>\$ 2,777</u>	<u>\$ 1,996,775</u>	<u>\$ 32,517</u>	<u>\$ (260)</u>	<u>\$ 1,240</u>	<u>\$ 75,591</u>	<u>\$ 6,427,703</u>

Grant County
NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2015

	<u>Gila/Cliff Fire</u>	<u>Fort Bayard Fire</u>	<u>Upper Mimbres Fire</u>	<u>Lower Mimbres Fire</u>
Assets				
Cash	\$ 95,096	\$ 12,202	\$ 123,980	\$ 47,627
Interfund receivable				
Total assets	<u>\$ 95,096</u>	<u>\$ 12,202</u>	<u>\$ 123,980</u>	<u>\$ 47,627</u>
Liabilities				
Accounts payable	\$ 172	\$ 355	\$ 147	\$ 115
Interfund payable				
Total liabilities	<u>\$ 172</u>	<u>\$ 355</u>	<u>\$ 147</u>	<u>\$ 115</u>
Deferred inflows of resources				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted:				
Public Safety	\$ 94,910	\$ 11,847	\$ 123,825	\$ 47,506
Debt service	14		8	6
Capital projects				
Unassigned				
Total fund balance	<u>\$ 94,924</u>	<u>\$ 11,847</u>	<u>\$ 123,833</u>	<u>\$ 47,512</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 95,096</u>	<u>\$ 12,202</u>	<u>\$ 123,980</u>	<u>\$ 47,627</u>

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

Sapillo Creek Fire	Whiskey Creek Fire	Pinos Altos Fire	Tyrone Fire	Santa Rita Fire	Total
\$ 96,265	\$ 163,161	\$ 178,403 22,002	\$ 357,866 22,949	\$ 63,989 8,318	\$ 1,138,589 53,269
<u>\$ 96,265</u>	<u>\$ 163,161</u>	<u>\$ 200,405</u>	<u>\$ 380,815</u>	<u>\$ 72,307</u>	<u>\$ 1,191,858</u>
\$ 113	\$ 2,099	\$ 446	\$ 1,403	\$ 134	\$ 4,984 -
<u>\$ 113</u>	<u>\$ 2,099</u>	<u>\$ 446</u>	<u>\$ 1,403</u>	<u>\$ 134</u>	<u>\$ 4,984</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 77,594 18,558	\$ 161,062	\$ 199,768 191	\$ 332,001 26,645 20,766	\$ 72,171 2	\$ 1,120,684 45,424 20,766 -
<u>\$ 96,152</u>	<u>\$ 161,062</u>	<u>\$ 199,959</u>	<u>\$ 379,412</u>	<u>\$ 72,173</u>	<u>\$ 1,186,874</u>
<u>\$ 96,265</u>	<u>\$ 163,161</u>	<u>\$ 200,405</u>	<u>\$ 380,815</u>	<u>\$ 72,307</u>	<u>\$ 1,191,858</u>

Grant County
NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2015

	Gila/Cliff Fire	Fort Bayard Fire	Upper Mimbres Fire	Lower Mimbres Fire
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	98,648	77,876	98,648	98,648
Charges for services				
Miscellaneous	3	22	2	71
Total revenues	<u>\$ 98,651</u>	<u>\$ 77,898</u>	<u>\$ 98,650</u>	<u>\$ 98,719</u>
Expenditures:				
Current				
Public safety	\$ 21,637	\$ 19,591	\$ 49,227	\$ 40,335
Debt service:				
Principal	35,385	41,915	21,778	33,810
Interest	2,002	4,913	1,120	1,268
Loan issue costs				
Capital outlay				
Total expenditures	<u>\$ 59,024</u>	<u>\$ 66,419</u>	<u>\$ 72,125</u>	<u>\$ 75,413</u>
Revenues over (under) expenditures	\$ 39,627	\$ 11,479	\$ 26,525	\$ 23,306
Other financing sources (uses):				
Transfer in				
Transfer (out)		(2,081)		
Loan proceeds				
Net change in fund balances	\$ 39,627	\$ 9,398	\$ 26,525	\$ 23,306
Fund balance, July 1, 2014	<u>55,297</u>	<u>2,449</u>	<u>97,308</u>	<u>24,206</u>
Fund balance, June 30, 2015	<u>\$ 94,924</u>	<u>\$ 11,847</u>	<u>\$ 123,833</u>	<u>\$ 47,512</u>

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

<u>Sapillo Creek Fire</u>	<u>Whiskey Creek Fire</u>	<u>Pinos Altos Fire</u>	<u>Tyrone Fire</u>	<u>Santa Rita Fire</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66,196	140,178	247,904	369,910	70,089	1,268,097
4		3	17,953	1	18,059
<u>\$ 66,200</u>	<u>\$ 140,178</u>	<u>\$ 247,907</u>	<u>\$ 387,863</u>	<u>\$ 70,090</u>	<u>\$ 1,286,156</u>
\$ 19,386	\$ 57,560	\$ 54,195	\$ 79,805	\$ 14,634	\$ 356,370
18,087		53,599	96,208	20,440	321,222
390		5,099	19,998	5,962	40,752
		46,946	162,738	8,317	218,001
<u>\$ 37,863</u>	<u>\$ 57,560</u>	<u>\$ 159,839</u>	<u>\$ 358,749</u>	<u>\$ 49,353</u>	<u>\$ 936,345</u>
\$ 28,337	\$ 82,618	\$ 88,068	\$ 29,114	\$ 20,737	\$ 349,811
			(312,389)		(314,470)
<u>\$ 28,337</u>	<u>\$ 82,618</u>	<u>\$ 88,068</u>	<u>\$ (283,275)</u>	<u>\$ 20,737</u>	<u>\$ 35,341</u>
67,815	78,444	111,891	662,687	51,436	1,151,533
<u>\$ 96,152</u>	<u>\$ 161,062</u>	<u>\$ 199,959</u>	<u>\$ 379,412</u>	<u>\$ 72,173</u>	<u>\$ 1,186,874</u>

Grant County
SPECIAL REVENUE FUND - FIRE PROTECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 420,000	\$ 420,000	\$ 348,403	\$ (71,597)
Miscellaneous			28	28
Total revenues	\$ 420,000	\$ 420,000	\$ 348,431	\$ (71,569)
Expenditures:				
Current:				
Public safety	\$ 1,162,646	\$ 1,247,176	\$ 235,709	\$ 1,011,467
Capital outlay	21,600	21,600		21,600
Total expenditures	\$ 1,184,246	\$ 1,268,776	\$ 235,709	\$ 1,033,067
Revenues over (under) expenditures	\$ (764,246)	\$ (848,776)	\$ 112,722	\$ 961,498
Other financing sources (uses):				
Transfer in/(out)	(13,078)	(13,078)	81,331	94,409
Net change in fund balance	\$ (777,324)	\$ (861,854)	\$ 194,053	\$ 1,055,907
Fund balance, July 1, 2014	777,324	861,854	1,187,444	325,590
Fund balance, June 30, 2015	\$ -	\$ -	\$ 1,381,497	\$ 1,381,497
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 85,558	
Revenue accruals (net)			20,321	
Expenditure accruals (net)			88,175	
Other financing uses			(1)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 194,053	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - FARM AND RANGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ 16	\$ 16
Federal sources	16,800	16,800	18,730	1,930
Total revenues	\$ 16,800	\$ 16,800	\$ 18,746	\$ 1,946
Expenditures:				
Current:				
Health and welfare	\$ 37,513	\$ 37,513	\$ 36,470	\$ 1,043
Capital outlay	-	-	-	-
Total expenditures	\$ 37,513	\$ 37,513	\$ 36,470	\$ 1,043
Revenues over (under) expenditures	\$ (20,713)	\$ (20,713)	\$ (17,724)	\$ 2,989
Other financing sources (uses):				
Transfer in	-	-	-	-
Net change in fund balance	\$ (20,713)	\$ (20,713)	\$ (17,724)	\$ 2,989
Fund balance, July 1, 2014	20,713	20,713	20,713	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ 2,989	\$ 2,989
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (18,450)	
Revenue accruals (net)			3	
Expenditure accruals (net)			723	
Other financing uses			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (17,724)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - RECREATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
State sources			279	279
Total revenues	\$ -	\$ -	\$ 279	\$ 279
Expenditures:				
Current:				
Culture and recreation	\$ -	\$ -	\$ -	\$ -
Capital outlay				-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Revenues over (under) expenditures	\$ -	\$ -	\$ 279	\$ 279
Other financing sources (uses):				
Transfer in/(out)				-
Net change in fund balance	\$ -	\$ -	\$ 279	\$ 279
Fund balance, July 1, 2014			48	48
Fund balance, June 30, 2015	\$ -	\$ -	\$ 327	\$ 327
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 279	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing uses			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 279	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - CORRECTION FEES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 660,000	\$ 660,000	\$ 618,976	\$ (41,024)
State sources	1,965,263	1,965,263	383,972	(1,581,291)
Miscellaneous	4,500	4,500	895	(3,605)
Total revenues	\$ 2,629,763	\$ 2,629,763	\$ 1,003,843	\$ (1,625,920)
Expenditures:				
Current:				
Public safety	\$ 2,650,926	\$ 2,650,926	\$ 2,575,620	\$ 75,306
Capital outlay	5,000	5,000	145	4,855
Total expenditures	\$ 2,655,926	\$ 2,655,926	\$ 2,575,765	\$ 80,161
Revenues over (under) expenditures	\$ (26,163)	\$ (26,163)	\$ (1,571,922)	\$ (1,545,759)
Other financing sources (uses):				
Transfer in			1,670,263	1,670,263
Net change in fund balance	\$ (26,163)	\$ (26,163)	\$ 98,341	\$ 124,504
Fund balance, July 1, 2014	26,163	26,163	57,511	31,348
Fund balance, June 30, 2015	\$ -	\$ -	\$ 155,852	\$ 155,852
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 23,882	
Revenue accruals (net)			37,855	
Expenditure accruals (net)			36,604	
Other financing uses				
Net change in fund balance, NON-GAAP budgetary basis			\$ 98,341	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - COUNTY CLERK'S EQUIPMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 33,000	\$ 33,000	\$ 33,726	\$ 726
Expenditures:				
Current:				
General government	\$ 3,000	\$ 3,000	\$ 7,458	\$ (4,458)
Capital outlay	30,000	30,000	4,941	25,059
Total expenditures	\$ 33,000	\$ 33,000	\$ 12,399	\$ 20,601
Net change in fund balance	\$ -	\$ -	\$ 21,327	\$ 21,327
Fund balance, July 1, 2014			218,999	218,999
Fund balance, June 30, 2015	\$ -	\$ -	\$ 240,326	\$ 240,326
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 22,830	
Revenue accruals (net)				
Expenditure accruals (net)			(1,503)	
Other financing sources				
Net change in fund balance, NON-GAAP budgetary basis			\$ 21,327	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - LAW ENFORCEMENT PROTECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 43,400	\$ 43,400	\$ 43,400	\$ -
Expenditures:				
Current:				
Public safety	\$ 44,533	\$ 44,533	\$ 37,738	\$ 6,795
Capital outlay			6,794	(6,794)
Total expenditures	\$ 44,533	\$ 44,533	\$ 44,532	\$ 1
Net change in fund balance	\$ (1,133)	\$ (1,133)	\$ (1,132)	\$ 1
Fund balance, July 1, 2014	1,133	1,133	1,133	-
Fund balance, June 30, 2015	\$ -	\$ -	\$ 1	\$ 1
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,132)	
Revenue accruals (net)				
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (1,132)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - LODGERS TAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 68,000	\$ 68,000	\$ 67,233	\$ (767)
Expenditures:				
Current:				
Culture and recreation	68,000	76,000	68,497	7,503
Revenues over (under) expenditures	\$ -	\$ (8,000)	\$ (1,264)	\$ 6,736
Other financing sources (uses):				
Transfer in/(out)		(3,000)	(3,000)	-
Net change in fund balance	\$ -	\$ (11,000)	\$ (4,264)	\$ 6,736
Fund balance, July 1, 2014		11,000	46,009	35,009
Fund balance, June 30, 2015	\$ -	\$ -	\$ 41,745	\$ 41,745
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 119	
Revenue accruals (net)			(4,383)	
Expenditure accruals (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (4,264)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - AIRPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 225,838	\$ 384,838	\$ 150,000	\$ (234,838)
State sources			44,390	44,390
Charges for services	205,788	375,977	222,612	(153,365)
Total revenues	\$ 431,626	\$ 760,815	\$ 417,002	\$ (343,813)
Expenditures:				
Current:				
General government	\$ 248,831	\$ 506,429	\$ 403,496	\$ 102,933
Capital outlay	148,831	351,992	259,704	92,288
Total expenditures	\$ 397,662	\$ 858,421	\$ 663,200	\$ 195,221
Revenues over (under) expenditures	\$ 33,964	\$ (97,606)	\$ (246,198)	\$ (148,592)
Other financing sources (uses):				
Transfer in	\$ 75,795	\$ 206,370	\$ 207,371	\$ 1,001
Net change in fund balance	\$ 109,759	\$ 108,764	\$ (38,827)	\$ (147,591)
Fund balance, July 1, 2014	_____	_____	(8,516)	(8,516)
Fund balance, June 30, 2015	\$ 109,759	\$ 108,764	\$ (47,343)	\$ (156,107)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (46,100)	
Revenue accruals (net)				
Expenditure accruals (net)			7,273	
Net change in fund balance, NON-GAAP budgetary basis			\$ (38,827)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - REAPPRAISAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 107,835	\$ 7,835
Expenditures:				
Current:				
General government	\$ 103,298	\$ 103,298	\$ 55,917	\$ 47,381
Capital outlay	48,000	48,000	19,484	28,516
Total expenditures	<u>\$ 151,298</u>	<u>\$ 151,298</u>	<u>\$ 75,401</u>	<u>\$ 75,897</u>
Net change in fund balance	\$ (51,298)	\$ (51,298)	\$ 32,434	\$ 83,732
Fund balance, July 1, 2014	<u>51,298</u>	<u>51,298</u>	<u>194,805</u>	<u>143,507</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,239</u>	<u>\$ 227,239</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 32,384	
Revenue accruals (net)				
Expenditure accruals (net)			<u>50</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 32,434</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - EMS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Miscellaneous	48,670	48,036	46,041	(1,995)
Total revenues	\$ 48,670	\$ 48,036	\$ 46,041	\$ (1,995)
Expenditures:				
Current:				
Public Safety	\$ 143,915	\$ 61,950	\$ 41,769	\$ 20,181
Capital outlay				-
Total expenditures	\$ 143,915	\$ 61,950	\$ 41,769	\$ 20,181
Revenues over (under) expenditures	\$ (95,245)	\$ (13,914)	\$ 4,272	\$ 18,186
Other financing sources (uses):				
Transfer out		\$ 2,081	\$ (79,251)	\$ (81,332)
Net change in fund balance	\$ (95,245)	\$ (11,833)	\$ (74,979)	\$ (63,146)
Fund balance, July 1, 2014	95,245	95,245	99,916	4,671
Fund balance, June 30, 2015	\$ -	\$ 83,412	\$ 24,937	\$ (58,475)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (77,277)	
Revenue accruals (net)			2,298	
Expenditure accruals (net)				
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (74,979)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - SOLID WASTE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 195,000	\$ 195,000	\$ 180,736	\$ (14,264)
Charges for services	455,000	455,000	412,861	(42,139)
Miscellaneous	5,757	5,757	27,036	21,279
Total revenues	\$ 655,757	\$ 655,757	\$ 620,633	\$ (35,124)
Expenditures:				
Current:				
Health and welfare	\$ 601,055	\$ 601,055	\$ 586,728	\$ 14,327
Revenues over (under) expenditures	\$ 54,702	\$ 54,702	\$ 33,905	\$ (20,797)
Other financing sources (uses):				
Transfer out	(135,000)	(135,000)	(135,000)	-
Net change in fund balance	\$ (80,298)	\$ (80,298)	\$ (101,095)	\$ (20,797)
Fund balance, July 1, 2014	80,298	80,298	644,938	564,640
Fund balance, June 30, 2015	\$ -	\$ -	\$ 543,843	\$ 543,843
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (162,085)	
Revenue accruals (net)			17,706	
Expenditure accruals (net)			43,284	
Other financing uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ (101,095)	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - REGIONAL DISPATCH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 660,000	\$ 660,000	\$ 620,033	\$ (39,967)
State sources				-
Miscellaneous	<u>31,713</u>	<u>31,713</u>	<u>26,542</u>	<u>(5,171)</u>
Total revenues	<u>\$ 691,713</u>	<u>\$ 691,713</u>	<u>\$ 646,575</u>	<u>\$ (45,138)</u>
Expenditures:				
Current:				
Public safety	\$ 737,585	\$ 737,585	\$ 647,876	\$ 89,709
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>13,907</u>	<u>(12,407)</u>
Total expenditures	<u>\$ 739,085</u>	<u>\$ 739,085</u>	<u>\$ 661,783</u>	<u>\$ 77,302</u>
Revenues over (under) expenditures	\$ (47,372)	\$ (47,372)	\$ (15,208)	\$ 32,164
Other financing sources (uses):				
Transfer in	<u>\$ 31,713</u>	<u>\$ 31,713</u>		<u>\$ (31,713)</u>
Net change in fund balance	\$ (15,659)	\$ (15,659)	\$ (15,208)	\$ 451
Fund balance, July 1, 2014	<u>15,659</u>	<u>15,659</u>	<u>25,734</u>	<u>10,075</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,526</u>	<u>\$ 10,526</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (69,408)	
Revenue accruals (net)			38,260	
Expenditure accruals (net)			<u>15,940</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (15,208)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - GILA/CLIFF FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 98,648	\$ 98,648	\$ 61,165	\$ (37,483)
Miscellaneous				-
Total revenues	\$ 98,648	\$ 98,648	\$ 61,165	\$ (37,483)
Expenditures:				
Current:				
Public safety	\$ 46,258	\$ 46,258	\$ 21,973	\$ 24,285
Capital outlay	14,907	14,907		14,907
Total expenditures	\$ 61,165	\$ 61,165	\$ 21,973	\$ 39,192
Revenues over (under) expenditures	\$ 37,483	\$ 37,483	\$ 39,192	\$ 1,709
Other financing sources (uses):				
Transfer out	\$ (37,483)	\$ (37,483)		\$ 37,483
Net change in fund balance	\$ -	\$ -	\$ 39,192	\$ 39,192
Fund balance, July 1, 2014			55,890	55,890
Fund balance, June 30, 2015	\$ -	\$ -	\$ 95,082	\$ 95,082
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 39,627	
Revenue accruals (net)			(37,486)	
Expenditure accruals (net)			37,051	
Other financing sources and uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 39,192	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - FORT BAYARD FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 77,876	\$ 77,876	\$ 61,173	\$ (16,703)
Miscellaneous			21	21
Total revenues	\$ 77,876	\$ 77,876	\$ 61,194	\$ (16,682)
Expenditures:				
Current:				
Public safety	\$ 30,673	\$ 30,673	\$ 19,596	\$ 11,077
Capital outlay	30,500	30,500		30,500
Total expenditures	\$ 61,173	\$ 61,173	\$ 19,596	\$ 41,577
Revenues over (under) expenditures	\$ 16,703	\$ 16,703	\$ 41,598	\$ 24,895
Other financing sources (uses):				
Transfer out	\$ (46,869)	\$ (48,950)	\$ (32,246)	\$ 16,704
Net change in fund balance	\$ (30,166)	\$ (32,247)	\$ 9,352	\$ 41,599
Fund balance, July 1, 2014	30,166	32,247	2,850	(29,397)
Fund balance, June 30, 2015	\$ -	\$ -	\$ 12,202	\$ 12,202
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 9,398	
Revenue accruals (net)			(16,704)	
Expenditure accruals (net)			46,823	
Other financing sources and uses (net)			(30,165)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 9,352	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - UPPER MIMBRES FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 98,648	\$ 98,648	\$ 75,750	\$ (22,898)
Miscellaneous				-
Total revenues	\$ 98,648	\$ 98,648	\$ 75,750	\$ (22,898)
Expenditures:				
Current:				
Public safety	\$ 46,600	\$ 58,845	\$ 49,366	\$ 9,479
Capital outlay	29,150	90,760		90,760
Total expenditures	\$ 75,750	\$ 149,605	\$ 49,366	\$ 100,239
Revenues over (under) expenditures	\$ 22,898	\$ (50,957)	\$ 26,384	\$ 77,341
Other financing sources (uses):				
Transfer out	\$ (22,898)	\$ (22,898)		\$ 22,898
Net change in fund balance	\$ -	\$ (73,855)	\$ 26,384	\$ 100,239
Fund balance, July 1, 2014		73,855	97,588	23,733
Fund balance, June 30, 2015	\$ -	\$ -	\$ 123,972	\$ 123,972
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 26,525	
Revenue accruals (net)			(22,900)	
Expenditure accruals (net)			22,759	
Other financing sources and uses (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 26,384	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - LOWER MIMBRES FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 98,648	\$ 98,648	\$ 63,570	\$ (35,078)
Miscellaneous			74	74
Total revenues	\$ 98,648	\$ 98,648	\$ 63,644	\$ (35,004)
Expenditures:				
Current:				
Public safety	\$ 38,970	\$ 38,970	\$ 44,900	\$ (5,930)
Capital outlay	24,600	24,600		24,600
Total expenditures	\$ 63,570	\$ 63,570	\$ 44,900	\$ 18,670
Revenues over (under) expenditures	\$ 35,078	\$ 35,078	\$ 18,744	\$ (16,334)
Other financing sources (uses):				
Transfer out	\$ (35,078)	\$ (35,078)		35,078
Net change in fund balance	\$ -	\$ -	\$ 18,744	\$ 18,744
Fund balance, July 1, 2014			28,877	28,877
Fund balance, June 30, 2015	\$ -	\$ -	\$ 47,621	\$ 47,621
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 23,306	
Revenue accruals (net)			(35,075)	
Expenditure accruals (net)			30,513	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 18,744	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - SAPILO CREEK FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 66,196	\$ 66,196	\$ 47,645	\$ (18,551)
Charges for services				-
Miscellaneous				-
Total revenues	\$ 66,196	\$ 66,196	\$ 47,645	\$ (18,551)
Expenditures:				
Current:				
Public safety	\$ 37,000	\$ 37,000	\$ 19,449	\$ 17,551
Capital outlay	10,645	10,645		10,645
Total expenditures	\$ 47,645	\$ 47,645	\$ 19,449	\$ 28,196
Revenues over (under) expenditures	\$ 18,551	\$ 18,551	\$ 28,196	\$ 9,645
Other financing sources (uses):				
Transfer out	\$ (18,551)	\$ (18,551)		\$ 18,551
Net change in fund balance	\$ -	\$ -	\$ 28,196	\$ 28,196
Fund balance, July 1, 2014			49,511	49,511
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,707</u>	<u>\$ 77,707</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 28,337	
Revenue accruals (net)			(18,555)	
Expenditure accruals (net)			18,414	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 28,196</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - WHISKEY CREEK FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 140,178	\$ 140,178	\$ 140,178	\$ -
Charges for services				-
Miscellaneous				-
	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ -</u>
Total revenues				
	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ -</u>
Expenditures:				
Current:				
Public safety	\$ 46,000	\$ 87,300	\$ 63,440	\$ 23,860
Capital outlay	94,178	52,878		52,878
	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ 63,440</u>	<u>\$ 76,738</u>
Total expenditures				
	<u>\$ 140,178</u>	<u>\$ 140,178</u>	<u>\$ 63,440</u>	<u>\$ 76,738</u>
Net change in fund balance	\$ -	\$ -	\$ 76,738	\$ 76,738
Fund balance, July 1, 2014			<u>86,423</u>	<u>86,423</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,161</u>	<u>\$ 163,161</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 82,618	
Revenue accruals (net)				
Expenditure accruals (net)			<u>(5,880)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 76,738</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - PINOS ALTOS FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 247,904	\$ 247,904	\$ 204,821	\$ (43,083)
Charges for services				-
Miscellaneous				-
	<u>\$ 247,904</u>	<u>\$ 247,904</u>	<u>\$ 204,821</u>	<u>\$ (43,083)</u>
Total revenues				
Expenditures:				
Current:				
Public safety	\$ 94,653	\$ 94,653	\$ 53,792	\$ 40,861
Capital outlay	110,168	110,168	46,946	63,222
	<u>\$ 204,821</u>	<u>\$ 204,821</u>	<u>\$ 100,738</u>	<u>\$ 104,083</u>
Total expenditures				
Revenues over (under) expenditures	\$ 43,083	\$ 43,083	\$ 104,083	\$ 61,000
Other financing sources (uses):				
Transfer out	<u>\$ (81,153)</u>	<u>\$ (81,153)</u>	<u>\$ (38,071)</u>	<u>\$ 43,082</u>
Net change in fund balance	\$ (38,070)	\$ (38,070)	\$ 66,012	\$ 104,082
Fund balance, July 1, 2014	<u>38,070</u>	<u>38,070</u>	<u>112,200</u>	<u>74,130</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,212</u>	<u>\$ 178,212</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 88,068	
Revenue accruals (net)			(43,086)	
Expenditure accruals (net)			59,101	
Other financing sources (net)			<u>(38,071)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 66,012</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - TYRONE FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 369,910	\$ 369,910	\$ 326,443	\$ (43,467)
Federal sources				-
Charges for services				-
Miscellaneous			17,724	17,724
Total revenues	\$ 369,910	\$ 369,910	\$ 344,167	\$ (25,743)
Expenditures:				
Current:				
Public safety	\$ 432,697	\$ 432,697	\$ 95,767	\$ 336,930
Capital outlay	100,000	262,738	185,685	77,053
Total expenditures	\$ 532,697	\$ 695,435	\$ 281,452	\$ 413,983
Revenues over (under) expenditures	\$ (162,787)	\$ (325,525)	\$ 62,715	\$ 388,240
Other financing sources (uses):				
Transfer out	\$ 103,127	\$ 103,127	\$ (59,661)	\$ (162,788)
Net change in fund balance	\$ (59,660)	\$ (222,398)	\$ 3,054	\$ 225,452
Fund balance, July 1, 2014	59,660	222,398	307,401	85,003
Fund balance, June 30, 2015	\$ -	\$ -	\$ 310,455	\$ 310,455
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (283,275)	
Revenue accruals (net)			(43,696)	
Expenditure accruals (net)			77,297	
Other financing sources (net)			252,728	
Net change in fund balance, NON-GAAP budgetary basis			\$ 3,054	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - SANTA RITA FIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 70,089	\$ 70,089	\$ 51,738	\$ (18,351)
Federal sources				-
Charges for services				-
Miscellaneous				-
Total revenues	\$ 70,089	\$ 70,089	\$ 51,738	\$ (18,351)
Expenditures:				
Current:				
Public safety	\$ 30,600	\$ 30,600	\$ 22,796	\$ 7,804
Capital outlay	21,138	21,138	8,317	12,821
Total expenditures	\$ 51,738	\$ 51,738	\$ 31,113	\$ 20,625
Revenues over (under) expenditures	\$ 18,351	\$ 18,351	\$ 20,625	\$ 2,274
Other financing sources (uses):				
Transfer out	\$ (26,668)	\$ (26,668)	\$ (8,318)	\$ 18,350
Net change in fund balance	\$ (8,317)	\$ (8,317)	\$ 12,307	\$ 20,624
Fund balance, July 1, 2014	8,317	8,317	51,680	43,363
Fund balance, June 30, 2015	\$ -	\$ -	\$ 63,987	\$ 63,987
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 20,737	
Revenue accruals (net)			(18,351)	
Expenditure accruals (net)			18,239	
Other financing sources (net)			(8,318)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,307	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - CDBG ZONING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014	-	-	498	498
Fund balance, June 30, 2015	\$ -	\$ -	\$ 498	\$ 498
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - DRUG ENFORCEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer in	14,771	14,771	14,771	-
Transfer out	-	(54,058)	(54,058)	-
Net change in fund balance	\$ 14,771	\$ (39,287)	\$ (39,287)	\$ -
Fund balance, July 1, 2014	-	39,287	39,341	54
Fund balance, June 30, 2015	<u>\$ 14,771</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 54</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (39,287)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (39,287)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - AGENCY ON AGING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 150,001	\$ 178,543	\$ 168,167	\$ (10,376)
State sources	387,609	401,141	333,490	(67,651)
Charges for services	151,156	151,156	90,145	(61,011)
Miscellaneous				-
Total revenues	<u>\$ 688,766</u>	<u>\$ 730,840</u>	<u>\$ 591,802</u>	<u>\$ (139,038)</u>
Expenditures:				
Current:				
Health and welfare	\$ 586,668	\$ 630,074	\$ 566,141	\$ 63,933
Capital outlay				-
Total expenditures	<u>\$ 586,668</u>	<u>\$ 630,074</u>	<u>\$ 566,141</u>	<u>\$ 63,933</u>
Revenues over (under) expenditures	\$ 102,098	\$ 100,766	\$ 25,661	\$ (75,105)
Other financing sources (uses):				
Transfer in				<u>\$ -</u>
Net change in fund balance	\$ 102,098	\$ 100,766	\$ 25,661	\$ (75,105)
Fund balance, July 1, 2014			<u>11,755</u>	<u>11,755</u>
Fund balance, June 30, 2015	<u>\$ 102,098</u>	<u>\$ 100,766</u>	<u>\$ 37,416</u>	<u>\$ (63,350)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 75,763	
Revenue accruals (net)			(49,328)	
Expenditure accruals (net)			(774)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 25,661</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - GRANT COUNTY FIRE ADMINISTRATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 70,089	\$ 70,089	\$ 70,089	\$ -
Charges for services				-
Miscellaneous				-
Total revenues	<u>\$ 70,089</u>	<u>\$ 70,089</u>	<u>\$ 70,089</u>	<u>\$ -</u>
Expenditures:				
Current:				
Public safety	\$ 36,100	\$ 36,100	\$ 41,205	\$ (5,105)
Capital outlay	<u>33,989</u>	<u>33,989</u>	<u>1,806</u>	<u>32,183</u>
Total expenditures	<u>\$ 70,089</u>	<u>\$ 70,089</u>	<u>\$ 43,011</u>	<u>\$ 27,078</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ 27,078	\$ 27,078
Other financing sources (uses):				
Transfer out				<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 27,078	\$ 27,078
Fund balance, July 1, 2014			<u>168,072</u>	<u>168,072</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,150</u>	<u>\$ 195,150</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 26,627	
Revenue accruals (net)			-	
Expenditure accruals (net)			451	
Other financing sources (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 27,078</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SPECIAL REVENUE FUND - HOMELAND SECURITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 798,433	\$ 1,299,709	\$ 216,571	\$ (1,083,138)
Charges for services				-
Miscellaneous				-
Total revenues	<u>\$ 798,433</u>	<u>\$ 1,299,709</u>	<u>\$ 216,571</u>	<u>\$ (1,083,138)</u>
Expenditures:				
Current:				
Public safety	\$ 481,601	\$ 982,877	\$ 245,336	\$ 737,541
Capital outlay				-
Total expenditures	<u>\$ 481,601</u>	<u>\$ 982,877</u>	<u>\$ 245,336</u>	<u>\$ 737,541</u>
Revenues over (under) expenditures	\$ 316,832	\$ 316,832	\$ (28,765)	\$ (345,597)
Other financing sources (uses):				
Transfer out	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ 316,832	\$ 316,832	\$ (28,765)	\$ (345,597)
Fund balance, July 1, 2014	<u>(302,418)</u>	<u>(302,418)</u>	<u>(302,418)</u>	<u>-</u>
Fund balance, June 30, 2015	<u>\$ 14,414</u>	<u>\$ 14,414</u>	<u>\$ (331,183)</u>	<u>\$ (345,597)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (34,534)	
Revenue accruals (net)			4,960	
Expenditure accruals (net)			809	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (28,765)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - JAIL REVENUE BOND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 688,000	\$ 688,000	\$ 786,433	\$ 98,433
Miscellaneous	336,700	336,700	364,789	28,089
Total revenues	<u>\$ 1,024,700</u>	<u>\$ 1,024,700</u>	<u>\$ 1,151,222</u>	<u>\$ 126,522</u>
Expenditures:				
Debt service	\$ 1,070,000	\$ 1,640,000	\$ 1,636,146	\$ 3,854
Total expenditures	<u>\$ 1,070,000</u>	<u>\$ 1,640,000</u>	<u>\$ 1,636,146</u>	<u>\$ 3,854</u>
Revenues over (under) expenditures:	\$ (45,300)	\$ (615,300)	\$ (484,924)	\$ 130,376
Other financing sources (uses):				
Transfer in				<u>\$ -</u>
Net change in fund balance	\$ (45,300)	\$ (615,300)	\$ (484,924)	\$ 130,376
Fund balance, July 1, 2014	<u>2,471,121</u>	<u>2,471,121</u>	<u>2,471,121</u>	<u>-</u>
Fund balance, June 30, 2015	<u><u>\$ 2,425,821</u></u>	<u><u>\$ 1,855,821</u></u>	<u><u>\$ 1,986,197</u></u>	<u><u>\$ 130,376</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (493,354)	
Revenue accruals (net)			155,999	
Expenditure accruals (net)			(72,569)	
Other financing sources (net)			<u>(75,000)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (484,924)</u></u>	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - VIVA SANTA RITA ASSESSMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous		39,938	21,284	(18,654)
Total revenues	<u>\$ -</u>	<u>\$ 39,938</u>	<u>\$ 21,284</u>	<u>\$ (18,654)</u>
Expenditures:				
Capital outlay	\$ -	\$ 39,938	\$ 39,938	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 39,938</u>	<u>\$ 39,938</u>	<u>\$ -</u>
Revenues over (under) expenditure:	\$ -	\$ -	\$ (18,654)	\$ (18,654)
Other financing sources (uses):				
Transfer in	\$ -			\$ -
Net change in fund balance	\$ -	\$ -	\$ (18,654)	\$ (18,654)
Fund balance, July 1, 2014			14,592	14,592
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,062)</u>	<u>\$ (4,062)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 17,925	
Revenue accruals (net)			-	
Expenditure accruals (net)			(36,579)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (18,654)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - NMFA LOAN AGREEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous				-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Capital outlay	\$ 371,840	\$ 371,840	\$ 84,754	\$ 287,086
Total expenditures	<u>\$ 371,840</u>	<u>\$ 371,840</u>	<u>\$ 84,754</u>	<u>\$ 287,086</u>
Revenues over (under) expenditure	\$ (371,840)	\$ (371,840)	\$ (84,754)	\$ 287,086
Other financing sources (uses):				
Transfer in	\$ 371,840	\$ 372,730	\$ 138,023	\$ (234,707)
Net change in fund balance	\$ -	\$ 890	\$ 53,269	\$ 52,379
Fund balance, July 1, 2014				-
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ 890</u></u>	<u><u>\$ 53,269</u></u>	<u><u>\$ 52,379</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			(84,754)	
Other financing sources (net)			<u>138,023</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 53,269</u></u>	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - HOLD HARMLESS GRT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ 107,250	\$ -	\$ (107,250)
Miscellaneous			203	203
	<u>\$ -</u>	<u>\$ 107,250</u>	<u>\$ 203</u>	<u>\$ (107,047)</u>
Total revenues				
Expenditures:				
Current				
General government	\$ -	\$ 107,250	\$ 106,863	\$ 387
Principle		105,000	105,000	-
Interest		165,850	165,850	-
	<u>\$ -</u>	<u>\$ 378,100</u>	<u>\$ 377,713</u>	<u>\$ 387</u>
Total expenditures				
Revenues over (under) expenditures	\$ -	\$ (270,850)	\$ (377,510)	\$ (106,660)
Other financing sources (uses):				
Transfer in		<u>\$ 270,850</u>	<u>\$ 377,250</u>	<u>\$ 106,400</u>
Net change in fund balance	\$ -	\$ -	\$ (260)	\$ (260)
Fund balance, July 1, 2014				-
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (260)</u>	<u>\$ (260)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (260)	
Revenue accruals (net)				
Expenditure accruals (net)			(106,863)	
Other financing sources (net)			<u>106,863</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (260)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - NM WASTE WATER SYSTEM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous				-
Total revenues	\$ -			\$ -
Expenditures:				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Principle		10,000	5,000	5,000
Interest		12,026	9,026	3,000
Total expenditures	\$ -	\$ 22,026	\$ 14,026	\$ 8,000
Revenues over (under) expenditures	\$ -	\$ (22,026)	\$ (14,026)	\$ 8,000
Other financing sources (uses):				
Transfer in		\$ 22,026	\$ 15,266	\$ (6,760)
Net change in fund balance	\$ -	\$ -	\$ 1,240	\$ 1,240
Fund balance, July 1, 2014				-
Fund balance, June 30, 2015	\$ -	\$ -	\$ 1,240	\$ 1,240
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,240	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,240	

The accompanying notes are an integral part of these financial statements

Grant County
DEBT SERVICE FUND - NM WASTE WATER RESERVE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous				-
Total revenues	<u>\$ -</u>			<u>\$ -</u>
Expenditures:				
Current				
General government	\$ -	\$ 15,325	\$ -	\$ 15,325
Debt service reserve		60,266		60,266
Total expenditures	<u>\$ -</u>	<u>\$ 75,591</u>	<u>\$ -</u>	<u>\$ 75,591</u>
Revenues over (under) expenditures	\$ -	\$ (75,591)	\$ -	\$ 75,591
Other financing sources (uses):				
Transfer in		<u>\$ 75,591</u>	<u>\$ 75,591</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ 75,591	\$ 75,591
Fund balance, July 1, 2014				-
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,591</u>	<u>\$ 75,591</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 75,591	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 75,591</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - CAPITAL ROAD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 538,375	\$ 538,375	\$ 266,395	\$ (271,980)
Expenditures:				
Capital outlay	289,460	289,460	203,398	86,062
Revenues over (under) expenditures	\$ 248,915	\$ 248,915	\$ 62,997	\$ (185,918)
Other financing sources (uses):				
Transfer in	2,311	2,311	2,311	-
Net change in fund balance	\$ 251,226	\$ 251,226	\$ 65,308	\$ (185,918)
Fund balance, July 1, 2014	(251,226)	(251,226)	(251,226)	-
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (185,918)</u>	<u>\$ (185,918)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 27,004	
Revenue accruals (net)			36,223	
Expenditure accruals (net)			<u>2,081</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 65,308</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - RENOVATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 153,688	\$ 753,658	\$ 305,383	\$ (448,275)
Expenditures:				
Capital outlay	<u>597,707</u>	<u>1,271,465</u>	<u>933,207</u>	<u>338,258</u>
Revenues over (under) expenditures	\$ (444,019)	\$ (517,807)	\$ (627,824)	\$ (110,017)
Other financing sources (uses):				
Loan proceeds	\$ 583,687	\$ 581,171	\$ 419,270	\$ (161,901)
Transfer in/(out)		<u>33,330</u>	<u>(43,401)</u>	<u>(76,731)</u>
Net change in fund balance	\$ 139,668	\$ 96,694	\$ (251,955)	\$ (348,649)
Fund balance, July 1, 2014			<u>(157,609)</u>	<u>(157,609)</u>
Fund balance, June 30, 2015	<u>\$ 139,668</u>	<u>\$ 96,694</u>	<u>\$ (409,564)</u>	<u>\$ (506,258)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (290,020)	
Revenue accruals (net)			47,234	
Expenditure accruals (net)			56,197	
Other financing uses (net)			<u>(65,366)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (251,955)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - AIRPORT INDUSTRIAL PARK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer out	<u>(296,673)</u>	<u>(296,673)</u>	<u>(296,673)</u>	<u>-</u>
Net change in fund balance	\$ (296,673)	\$ (296,673)	\$ (296,673)	\$ -
Fund balance, July 1, 2014	<u>296,673</u>	<u>296,673</u>	<u>296,673</u>	<u>-</u>
Fund balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (296,673)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (296,673)</u></u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - HURLEY WASTEWATER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 521,846	\$ 521,846	\$ 213,682	\$ (308,164)
Expenditures:				
Capital outlay	<u>592,418</u>	<u>592,418</u>	<u>133,624</u>	<u>458,794</u>
Revenues over (under) expenditures	\$ (70,572)	\$ (70,572)	\$ 80,058	\$ 150,630
Other financing sources (uses):				
Transfer out		<u>(125,618)</u>	<u>(125,618)</u>	<u>-</u>
Net change in fund balance	\$ (70,572)	\$ (196,190)	\$ (45,560)	\$ 150,630
Fund balance, July 1, 2014	<u>70,572</u>	<u>196,190</u>	<u>70,573</u>	<u>(125,617)</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,013</u>	<u>\$ 25,013</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			165,081	
Expenditure accruals (net)			(85,023)	
Other financing uses (net)			<u>(125,618)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (45,560)</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - FORT BAYARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				-
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfer out	-	-		-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2014			<u>53,686</u>	<u>53,686</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,686</u>	<u>\$ 53,686</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECTS FUND - ECONOMIC DEVELOPMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 8,330	\$ 8,330	\$ -	\$ (8,330)
Miscellaneous				-
Total revenues	<u>\$ 8,330</u>	<u>\$ 8,330</u>	<u>\$ -</u>	<u>\$ (8,330)</u>
Expenditures:				
Current:				
General government	\$ 11,107	\$ 11,107	\$ -	\$ 11,107
Capital outlay				-
Total expenditures	<u>\$ 11,107</u>	<u>\$ 11,107</u>	<u>\$ -</u>	<u>\$ 11,107</u>
Revenues over (under) expenditures	\$ (2,777)	\$ (2,777)	\$ -	\$ 2,777
Other financing sources (uses):				
Transfer in				\$ -
Net change in fund balance	\$ (2,777)	\$ (2,777)	\$ -	\$ 2,777
Fund balance, July 1, 2014	<u>2,777</u>	<u>2,777</u>	<u>2,777</u>	<u>-</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,777</u>	<u>\$ 2,777</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Other financing sources (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

Grant County
CAPITAL PROJECT FUND - CAPITAL PROJECTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay		<u>6,003,412</u>	<u>131,291</u>	<u>5,872,121</u>
Revenues over (under) expenditures	\$ -	\$ (6,003,412)	\$ (131,291)	\$ 5,872,121
Other financing sources (uses):				
Bond proceeds		<u>6,003,412</u>	<u>6,003,412</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ 5,872,121	\$ 5,872,121
Fund balance, July 1, 2014				<u>-</u>
Fund balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,872,121</u>	<u>\$ 5,872,121</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 5,868,888	
Revenue accruals (net)			-	
Expenditure accruals (net)			186,684	
Other financing uses (net)			<u>(183,451)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 5,872,121</u>	

The accompanying notes are an integral part of these financial statements

Grant County
COMPONENT UNIT - GILA REGIONAL MEDICAL CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Operating revenue	\$ 70,485,136	\$ 70,485,136	\$ 71,886,368	\$ 1,401,232
Operating expenses:				
Salaries, wages, and benefits	\$ 36,855,463	\$ 36,855,463	\$ 37,082,306	\$ (226,843)
Supplies and other	17,829,710	17,829,710	17,120,763	708,947
Purchased services	11,696,789	11,696,789	12,703,055	(1,006,266)
Depreciation	3,037,775	3,037,775	3,434,202	(396,427)
Rentals and leases	1,785,966	1,785,966	1,626,647	159,319
Total operating expenses	<u>\$ 71,205,703</u>	<u>\$ 71,205,703</u>	<u>\$ 71,966,973</u>	<u>\$ (761,270)</u>
Operating income (loss)	\$ (720,567)	\$ (720,567)	\$ (80,605)	\$ 639,962
Nonoperating revenue, net	<u>(720,567)</u>	<u>(720,567)</u>	<u>814,924</u>	<u>1,535,491</u>
Change in net position	<u>\$ (1,441,134)</u>	<u>\$ (1,441,134)</u>	<u>\$ 734,319</u>	<u>\$ 2,175,453</u>
Net position, beginning of year			<u>63,983,057</u>	
Net position, end of year			<u>\$ 64,717,376</u>	

The accompanying notes are an integral part of these financial statements

Grant County
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF
PERA FUND DIVISION MUNICIPAL GENERAL
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION)(PERA) PLAN
LAST 10 FISCAL YEARS*

	2015
Grant County's proportion of the net pension liability	.6172%
Grant County's proportionate share of the net pension liability	\$ 4,814,822
Grant County's covered employee payroll	\$ 4,885,440
Grant County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	99%
Plan fiduciary net position as a percentage of the total pension liability	81%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Grant County will present information for those years for which information is available.

Grant County
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF
PERA FUND DIVISION MUNICIPAL POLICE
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION)(PERA) PLAN
LAST 10 FISCAL YEARS*

	2015
Grant County's proportion of the net pension liability	.8419%
Grant County's proportionate share of the net pension liability	\$ 2,744,502
Grant County's covered employee payroll	\$ 1,662,941
Grant County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165%
Plan fiduciary net position as a percentage of the total pension liability	81%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled, Grant County will present information for those years for which information is available.

Grant County
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION (PERA) PLAN-PERA FUND DIVISION MUNICIPAL GENERAL
***LAST 10 FISCAL YEARS**

	2015
Contractually required contributions	\$ 466,687
Contributions in relation to contractually required contribution	(466,687)
Contribution deficiency (excess)	\$ -
Grant County's covered-employee payroll	\$ 4,885,490
Contributions as a percentage of covered-employee payroll	9.55%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Grant County will present information for those years for which information is available.

Grant County
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION (PERA) PLAN-PERA FUND DIVISION MUNICIPAL POLICE
***LAST 10 FISCAL YEARS**

	2015
Contractually required contributions	\$ 311,126
Contributions in relation to contractually required contribution	(311,126)
Contribution deficiency (excess)	\$ -
Grant County's covered-employee payroll	\$ 1,662,941
Contributions as a percentage of covered-employee payroll	18.71%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Grant County will present information for those years for which information is available.

Grant County
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2015

Change in benefit terms – The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202014.pdf).

Changes of assumptions – The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at:

http://www.pera.state.nm.us/pdf/Investment/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The Summary of Key Findings for the PERA Fund (on page 2 of the report) states “Based on a recent experience study for the five year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio.” For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

Grant County
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Property Tax Fund				
Assets				
Cash and investments	\$ 138,758	\$ 10,986,681	\$ 10,962,979	\$ 162,460
Taxes receivable	<u>850,285</u>	<u>7,078,232</u>	<u>7,201,694</u>	<u>726,823</u>
Total assets	<u><u>\$ 989,043</u></u>	<u><u>\$ 18,064,913</u></u>	<u><u>\$ 18,164,673</u></u>	<u><u>\$ 889,283</u></u>
Liabilities				
Due to others	<u><u>\$ 989,043</u></u>	<u><u>\$ 18,064,913</u></u>	<u><u>\$ 18,164,673</u></u>	<u><u>\$ 889,283</u></u>

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

Grant County
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2015

	<u>Wells Fargo</u>	<u>Wells Fargo Brokerage</u>	<u>Total</u>
Checking and CD's	\$ 10,269,977	\$ 5,338,742	\$ 15,608,719
Total on deposit	<u>\$ 10,269,977</u>	<u>\$ 5,338,742</u>	<u>\$ 15,608,719</u>
Less: FDIC insurance	\$ (250,000)	\$ (3,595,738)	\$ (3,845,738)
Government securities		<u>(1,743,004)</u>	<u>(1,743,004)</u>
Total insurance	<u>\$ (250,000)</u>	<u>\$ (5,338,742)</u>	<u>\$ (5,588,742)</u>
Total uninsured public funds	<u>\$ 10,019,977</u>	<u>\$ -</u>	<u>\$ 10,019,977</u>
 50% collateralization requirement (Section 6-10-17 NMSA)	 <u>\$ 5,009,989</u>	 <u>\$ -</u>	 <u>\$ 5,009,989</u>
 Pledged Securities:			
FN AH7996, Cusip No. 3138A93E2, maturing 1/1/2026	\$ 832,472	\$ -	\$ 832,472
FN AI0854, Cusip No. 3138AD5Q4, maturing 12/01/2041	190,595		190,595
FN AJ3051, Cusip No. 3138AUL96, maturing 10/01/2041	100,499		100,499
FN AJ5927, Cusip No. 3138AXSR3, maturing 11/01/2041	181,678		181,678
FN AQ1283, Cusip No. 3138MGM93, maturing 02/01/2043	431,135		431,135
FN AR9199, Cusip No. 3138W7GH1, maturing 03/01/2043	193,717		193,717
FN AT2015, Cusip No. 3138WPGZ1, maturing 04/01/2043	227,203		227,203
FN AT8139, Cusip No. 3138WWBH1, maturing 08/01/2043	2,066,618		2,066,618
FN AB3508, Cusip No. 31416Y3S5, maturing 09/01/2041	27,718		27,718
FN AB6309, Cusip No. 31417DAK9, maturing 09/01/2042	15,859		15,859
FN AB7585, Cusip No. 31417ENB3, maturing 01/01/2043	244,506		244,506
FN AB7748, Cusip No. 31417ETE1, maturing 01/01/2043	<u>607,383</u>		<u>607,383</u>
Total pledged securities	<u>\$ 5,119,383</u>	<u>\$ -</u>	<u>\$ 5,119,383</u>
Pledged securities over (under) requirement	<u>\$ 109,395</u>	<u>\$ -</u>	<u>\$ 109,395</u>

Securities pledged by Wells Fargo are held by the Wells Fargo trust department in Minneapolis, Minnesota.

Grant County
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
June 30, 2015

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo</u>			
Grant County Treasurer	Checking	\$ 3,406,693	\$ 2,787,775
Construction	Checking	\$ 5,896,146	\$ 5,896,146
Dos Griegos	Savings	11,135	11,135
IRS Tax Bank	Checking	1	1
North Hurley Water	Checking	16,807	16,807
Detention Center Issuance Cost	Checking	939,195	939,195
		<hr/>	<hr/>
Total Wells Fargo		\$ 10,269,977	\$ 9,651,059
<u>Wells Fargo Brokerage</u>			
General	Govt Money Mkt	\$ 93,979	\$ 93,979
General	Municipal Bonds	1,198,539	1,198,539
General	FHLB	450,486	450,486
General	CD's	3,595,738	3,595,738
		<hr/>	<hr/>
Total Wells Fargo Brokerage		\$ 5,338,742	\$ 5,338,742
<u>NM Local Government Investment Pool</u>			
General		\$ 99,757	\$ 99,757
		<hr/>	<hr/>
<u>US Bank</u>			
Fort Bayard Medical Facility	FHLMC Notes	\$ 90,765	\$ 90,765
	FHLB Notes	150,183	150,183
	Money Market	5,794,084	5,794,084
	Corporate Issues	3,466	3,466
	US Treasury Notes	125,176	125,176
	Fannie Mae Note	729,495	729,495
		<hr/>	<hr/>
		\$ 6,893,169	\$ 6,893,169
<u>NMFA</u>			
Cash on deposit with paying agent	NMFA	\$ 203,652	\$ 203,652
		<hr/>	<hr/>
Cash on hand			\$ 1,000
			<hr/>
Total cash and investments		\$ 22,805,297	\$ 22,187,379
		<hr/> <hr/>	<hr/> <hr/>

Grant County
SCHEDULE OF JOINT POWERS AGREEMENT
For the Fiscal Year ended June 30, 2015

Silver Schools

Participants	Grant County, Silver Consolidated School District No. 1
Responsible party	Both agencies
Description	Maintain little league field
Dates of agreement	Indefinite
Amount of project	Unknown
Agency contribution	Matching costs
Audit responsibility	Both agencies

Municipal

Participants	Grant County, Town of Silver City, City of Bayard, Town of Hurley, and the Village of Santa Clara
Responsible party	Grant County
Description	Central dispatch of emergency personnel
Dates of agreement	Indefinite
Amount of agreement	On-going operations
Agency contribution	Proportionate
Audit responsibility	Grant County

Grant County
SCHEDULE OF JOINT POWERS AGREEMENT (concluded)
For the Fiscal Year ended June 30, 2015

Southwest Solid Waste Authority

Participants	Grant County, Town of Silver City, Town of Hurley, City of Bayard, and Village of Santa Clara
Responsible party	Solid Waste Authority
Description	Landfill operation
Dates of agreement	Indefinite
Amount of project	On-going operations
Agency contribution	None
Audit responsibility	Solid Waste Authority

Southwest Water Planning Group

Participant	Grant County, Hidalgo County, Luna County, Catron County and all municipalities within these county borders except the Town of Silver City
Responsible party	All entities
Description	Water planning group
Dates of agreements	Indefinite
Amount of project	Not applicable
Agency contribution	Non-monetary expertise
Audit responsibility	Not applicable

Grant County
SCHEDULE OF LEGISLATIVE GRANTS
 June 30, 2015

	Sheriff's Office Improvements <u>13-L-1713</u>	Sheriff's Dept Construction <u>14-L-1925</u>	Capital Approp <u>14-L-1926</u>	Sewer System <u>12-1347-STB</u>
Original appropriation	\$ 300,000	\$ 222,750	\$ 150,000	\$ 100,000
Funds reverted	<u>(3,000)</u>	<u> </u>	<u> </u>	<u> -</u>
Appropriation remaining	<u>\$ 297,000</u>	<u>\$ 222,750</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>
Expended through June 30, 2015	\$ 279,563	\$ 110,669	\$ -	7,841
Encumbrances	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total committed	<u>\$ 279,563</u>	<u>\$ 110,669</u>	<u>\$ -</u>	<u>\$ 7,841</u>
Project expiration date	06/30/17	06/30/18	06/30/18	06/30/16

Grant County
TAX ROLL RECONCILIATION
 For the Fiscal Year Ended June 30, 2015

Property taxes receivable, July 1, 2014	\$	1,882,625
Net taxes charged to the Treasurer for 2015		15,065,074
Collections/Distributions/Changes		<u>(15,295,451)</u>
Property taxes receivable, June 30, 2015	\$	<u><u>1,652,248</u></u>
Property taxes receivable, by year		
2014	\$	694,840
2013		418,744
2012		111,183
2011		71,025
2010		55,583
2009		61,594
Prior		<u>239,279</u>
	\$	<u><u>1,652,248</u></u>

Grant County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2015

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct:			
Edward Byrne Justice Assistance Grant	16.738	N/A	78,685
Passed through N.M. Dept. of Children, Youth & Families: Juvenile Justice and Delinquency Prevention	16.540	633J10	68,686
Total U.S. Department of Justice			\$ 147,371
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Direct:			
Distribution of receipts National Fire Plan - Rural Fire Assistance	15.227 15.242	N/A N/A	\$ 18,730 -
Total U.S. Department of the Interior			\$ 18,730
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct:			
Homeland Security Grant Program	97.067	N/A	\$ 292,711
Passed through NM Dept of Emergency Management: Cyber Tipline	97.076	571VI	44,490
Emergency Management Performance Grants	97.042	571V	33,049
Total U.S. Department of Homeland Security			\$ 370,250
<u>U.S. DEPT. OF HEALTH AND HUMAN SERVICES</u>			
Passed through New Mexico Aging Department: Special Programs for Aging-Nutrition Services	93.045	2010-010	\$ 182,199

Grant County
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
 For The Fiscal Year Ended June 30, 2015

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct:			
Airport Improvement Grants	20.106	N/A	\$ -
Federal Transit-Capital Improvement Grants	20.500	N/A	5,000
Passed Through N.M. Department of Transportation:			
Minimum Penalties for Repeat Offenders for DWI	20.608	N/A	15,156
Public Transportation Formula Grants	20.509	N/A	<u>535,131</u>
Total Department of Transportation			<u>\$ 555,287</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Direct:			
WIA Youth Activities	17.259	464	<u>\$ 17,740</u>
Total Department of Labor			<u>\$ 17,740</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct:			
Schools and Roads - Grants to States	10.665	N/A	\$ 394,942
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	381,542
Passed Through N.M. Dept. of Energy and Minerals:			
Cooperative Forest Assistance Grants	10.664	2010	<u>-</u>
Total Department of Agriculture			<u>\$ 776,484</u>
Total expenditures of federal awards			<u><u>\$ 2,068,061</u></u>

See the accompanying notes to Schedule of Expenditures of Federal Awards.

Grant County
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grant County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 Insurance

The County had the following insurance coverage during the year ended June 30, 2015:

Workers compensation	\$ Unlimited
Employer's liability	1,050,000
Persona injury:	
Per person	400,000
Per occurrence	750,000
Per occurrence property damage	100,000
Auto Liability	Limits
Auto physical damage	Per auto

Note 3 Loans and Loan Guarantees

Included under the Water and Waste Disposal Systems for Rural Communities, CFDA No. 10.760 is grant expenditures of \$48,601, and an outstanding loan balance with continuing compliance obligations of \$332,941, for a total of \$381,542.

Grant County
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015

Prepared by Agency Staff Name: Jacob Zamora Title: Procurement Officer Date 10/15/2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
RFP 14-01	Request for Proposal	ASA Architects	\$ 85,000.00	\$ -	Mr. Rick Green			Architecural services for court house.
RFP 14-01	Request for Proposal	Architecture Workshop	\$ 198,000.00		Wilson & Company			Architecural services for Conf Center
RFP 14-01	Request for Proposal	Architecture Workshop	\$ 92,351.00		414 N. Main Street, Suite A Las Cruces, NM 88001			Architecural services for Sheriff's Vault
					Ms. Vickie Crenshaw Crenshaw Consulting Group, LLC 1475 N. Main Street, Suite E Las Cruces, NM 88001			
					Mr. Mark Richards Mark Richard & Associates PO BOX 1258 Bayard, NM 88023			
					Mr. Cesar R. Molina Nine Degrees Architecture & Design PO BOX 4135 Sunland Park, NM 88063 Mr. Paul Browne WHPacific Inc. 6501 Americas Parkway NE Ste 400 Albuquerque, NM 87110			

Grant County
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 For the Fiscal Year Ended June 30, 2015

Findings – Financial Statement Audit	<u>Current Status</u>
2007-003(07-3) Property tax schedule not presented in the State Auditor required format	Repeated
2007-004(07-4) Purchase procedures not followed	Repeated
FINDINGS RELATED TO THE COMPONENT UNIT	
2014-001 Journal entries not reviewed and approved	Resolved
2013-001 Capital asset listing not reconciled	Resolved
2014-003 Accounts payable segregation of duties not sufficient	Resolved

Findings and Questioned Costs – Major Federal Award programs

2014-003 U.S. Department of Agriculture (Other)

Water and Wastewater Disposal Systems for Rural Communities, CFDA No. 10.760, Case No. 36-009, RD Loan FY 2010

This was a finding indicating that the County had not established the reserves required under the loan agreement with the Rural Development Department.

During the year ended June 30, 2015, the County established and segregated the required reserves. No violation of the reserve requirements was noted during the year ended June 30, 2015.

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, State Auditor
And
Board of Commissioners
Grant County
Silver City, 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, other than the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Grant County as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Grant County's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons, except that of the discretely presented component unit, of the County presented as other supplementary information, and have issued our report thereon dated October 22, 2015.

Internal Control Over financial Reporting

In planning and performing our audit of the financial statements, we considered Grant County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of Grant County's internal control.

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Component Unit Finding 2015-001 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Component Unit Finding 2015-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2007-004 and 2007-003; and for the component unit as item 2015-003.

Grant County's Responses to Findings

Grant County's and the component unit's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's and the component unit's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 22, 2015

Stone, McGee & Co.
Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, State Auditor
And
Board of Commissioners
Grant County
Silver City, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Grant County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Grant County's major federal programs for the year ended June 30, 2015. Grant County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Grant County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Stone, McGee & Co., CPAs

Silver City, New Mexico
October 22, 2015

Stone, McGee & Co.
Certified Public Accountants

Grant County
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Grant County.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of Grant County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Grant County expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Public Transportation Formula Grants, CFDA No. 20.509, and Schools and Roads-Grants to States, CFDA No. 10.665.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Grant County was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2007-004(07-4) Purchasing (Other Noncompliance)

Condition – Of 170 expenditure transactions tested, we noted 2 instances where the purchase order was not approved, 8 instances where the purchase order was dated after the invoice, and 17 instances where the voucher was not approved for payment. The County has implemented its corrective action plan by reducing the use of procurement cards, and providing supervisory monitoring of expenditures. Improvement continues to be made.

Criteria – Section 13-1-97 of NMSA 1978 requires that purchases be made through a central purchasing office which properly authorizes and approves the purchase prior to payment.

Effect – The budgetary controls established by the use of purchase orders has been compromised, there is an increased likelihood of expenditures for non-priority items, and New Mexico statutes have been violated.

Cause – The County utilizes procurement cards. When credit cards are used, no purchase order is issued prior to the purchase being made. However, when the bill is paid, the accounting system requires the assignment of a purchase order before payment. Thus, deviations in the purchase order are created. In addition, internal controls over purchasing are not functioning in a manner sufficient to alleviate these instances of noncompliance.

Recommendation – We recommend that the County follow the purchasing policy already in effect, and that a review and approval of purchases prior to cash disbursement be emphasized.

Agency Response – Purchasing procedures are being reviewed, and the County Manager has restricted procurement card usage. The Purchasing Agent will emphasize the use of purchase orders, and Director of Fiscal Services will be involved in ensuring that goods or services are received prior to cash disbursement. It is expected that the review will be completed by December 31, 2015.

2007-003(07-3) Property Tax Schedule (Other Noncompliance)

Condition – The County Treasurer’s property tax schedule does not include ten years of information in the format required by the New Mexico State Auditor, and amounts reported as collectible do not reconcile to the Assessor’s records of taxes assessed. The County’s corrective action plan continues until 10 years of data is assimilated by the current software provider.

Criteria – Section 2.2.2.12D(1) of NMAC 2015 requires property tax information be presented in a specific format, and sound accounting practice dictates that amounts assessed by the Assessor be reconciled to amounts to be collected by the County Treasurer.

Effect – Records relating to amounts due to other taxing entities is not available in a by-year format, and the County has not complied with 2.2.2 NMAC 2015. In addition, the possibility exists that County reports of taxes collected on a by-year basis are not accurate.

Cause – The County has been unable to compile the information in the requested format, due to computer vendor problems.

Recommendation – We recommend that the County compile the information necessary to comply with 2.2.2 NMAC 2015, and reconcile amounts to be collected to the Assessor’s records.

Agency Response – The County’s computer software vendor is in the process of developing reports which will both satisfy the requirements of 2.2.2 NMAC and reconcile to the Assessor’s records of taxes assessed. However, the accumulation of data from the new vendor will require the passage of time, allowing the new vendor to accumulate the data for each period since the vendor software was installed. This accumulation should be completed within the next four years, and is being overseen by the County Treasurer.

2015-001 Analysis of Certain Balance Sheet Accounts (Material Weakness in Internal Control)
(Finding Related to the Component Unit)

Condition – Significant adjusting journal entries were required after the accounting records were closed at year-end in the following areas:

- Safety Net Care Pool (SNCP) receivable balances were understated as of June 30, 2015. The net effect of these adjustments on 2015 revenue totaled \$2,486,921.
- Meaningful Use Incentive receivables were overstated by \$213,387.
- Third-party payer settlement liabilities were understated by \$258,512.

Criteria – Timely and accurate information should be available to management and those charged with governance to make decisions. To promote this, general ledger accounts should be analyzed throughout the year and at year-end for accurate financial presentation.

Effect – There were significant errors in the financial statements, which were corrected through adjustments after the accounting records were closed.

Cause – There was turnover in certain management positions during the year which resulted in modifications for how SNCP revenues and receivables were treated. At the end of fiscal year 2015, no analysis was completed on the receivable and liability balances to determine if the amounts reported were accurate.

Recommendation – The Medical Center should establish and monitor a schedule for monthly and annual account reconciliations. The Medical Center should analyze all balance sheet accounts on a regular basis to ensure that balances are accurately presented.

Agency Response – Not available.

2015-002 Policy for Estimating Allowances (Significant Deficiency in Internal Control) (Finding Related to the Component Unit)

Condition – The formal policy for calculating allowances has not been updated to reflect current practices. Furthermore, while the contractual allowances are based on historical collection data, bad debt allowances are not. Bad debt allowances are calculated simply at 100% of all balances older than 120 days.

Criteria – The Medical Center should estimate its allowance for doubtful patient accounts receivable based on a board approved methodology. The estimation should be based on historical analysis of collections.

Effect – Failure to implement effective policies and procedures could increase ambiguity in how amounts are calculated and negatively impact the hospital. Not having a formalized policy may create disagreements in how estimations should be calculated. Not using historical data as a means for estimating bad debts may result in the Medical Center over/under reserving receivable balances.

Cause – The Medical Center has experienced turnover in the finance and patient financial services departments which resulted in a lack of documentation of the updated and improved

processes around estimating bad debts. Further, management has not conducted a formal study to identify the historical trends of receivable collections to better estimate bad debts.

Recommendation – Management should create a patient accounts receivable allowance policy which incorporates the results of a historical trend analysis to ensure institutional knowledge is retained and the reserve balances reflect best estimates.

Agency Response – Not available.

2015-003 Per Diem Reimbursements (Other Noncompliance) (Finding Related to the Component Unit)

Condition – Of the five travel reimbursements tested, three had food reimbursement overages totaling \$338.44. The total reimbursement should have been \$225 but was 563.44.

Criteria – According to the Mileage and Per Diem Act (Section 10-8-4(k)(2), actual expenses for meals are not to exceed \$30 per day for in state travel and \$45 per day for our-of-state travel.

Effect – The Medical Center is out of compliance with the Mileage and Per Diem Act.

Cause – The Medical Center did not have proper controls surrounding reimbursements in accordance with the Mileage and Per Diem Act.

Recommendation Improve controls surrounding reimbursement to ensure compliance with laws and regulations.

Agency Response – Not available.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s, with substantial assistance from County personnel. County personnel have approved and accepted responsibility for the financial statements.

EXIT CONFERENCE

The contents of this report were discussed in a meeting on October 9, 2015. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Brett Kasten	Commission Chairman	Grant County
Steve Armendariz	Treasurer	Grant County
Charlene Webb	County Manager	Grant County
Linda Vasquez	Director of Fiscal Services	Grant County
Mike Stone	Shareholder	Stone, McGee & Co., CPA's